



ORIX Auto Infrastructure Services Ltd.
(A Subsidiary of ORIX Auto Infrastructure Services Ltd.)

Annual Report
2020 - 2021

**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**

ORIX Auto Infrastructure Services Limited

Regd. Office : Plot No. 94, Marol Co-operative Industrial Estate, Andheri -Kurla Road, Andheri (E), Mumbai - 400 059
Tel: +91 22 6707 0100 • Fax: +91 22 2852 8549 • Email: info@orixindia.com • www.orixindia.com • CIN:U63032MH1995PLC086014

Corporate Information:

Board of Directors:

Mr. Yoshiaki Matsuoka	:	DIN 08141800	:	Director and Chairman
Mr. Sandeep Gambhir	:	DIN 00083116	:	Managing Director and CEO
Mr. Ryohei Suzuki	:	DIN 08218888	:	Whole-Time Director
Mr. Abhay Kakkar	:	DIN 06659327	:	Independent Director
Mr. Nagesh Dubey	:	DIN 06967617	:	Independent Director
Mr. Takashi Nakayama	:	DIN 08768983	:	Additional Director
Mr. Takehiro Onishi	:	DIN 09019630	:	Additional Director
Mr. Shin Hamada	:	DIN 09100127	:	Additional Director
Ms. Meeta Sanghvi	:	DIN 08065804	:	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.
Tel: 91 22 67070100
Fax: 91 22 2852 8549
Web: www.orixindia.com
Email: info@orixindia.com
CIN: U63032MH1995PLC086014

Key Managerial Personnel:

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

Bankers :

1. ANZ Banking Group
2. Bank of Baroda
3. DBS Bank
4. Central Bank of India
5. Bank of India
6. Union Bank of India
7. Credit Agricole Corporate & Investment Bank
8. Deutsche Bank AG
9. HDFC Bank
10. ICICI Bank
11. IDBI BANK
12. IDFC First Bank

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13. Kotak Mahindra Bank
14. Mizuho Bank
15. MUFG Bank
16. State Bank of India
17. The Federal Bank

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DIRECTORS' REPORT

The Members, ORIX Auto Infrastructure Services Limited

Your Directors are pleased to present the Twenty Sixth Annual Report on the business and operations of your Company together with the audited accounts for the financial year ended March 31, 2021.

(1) Financial Performance:

A summary of the Financial Performance of the Company both on standalone and consolidated basis, for the Financial Year 2020-2021 as compared to previous Financial year 2019-2020 is given below:

Particulars	(Rs. in Mn)			
	Standalone		Consolidated	
	FY 2020-2021	FY 2019-2020	FY 2020-2021	FY 2019-2020
Gross Income	: 4,738.81	8195.11	8060.91	11,637.51
Profit/(loss) before interest, depreciation and taxation	: 2,438.24	3,335.16	4661.49	5,988.78
Financial charges	: 615.58	786.74	2085.24	2576.56
Depreciation	: 2,240.32	2493.95	2335.05	2586.65
Profit / (Loss) Before Tax	: (417.65)	54.47	241.20	825.57
Profit from discontinuing operations	: -	-	-	-
Provision for tax:	:			
Current Tax	: -	123.15	294.66	358.32
MAT credit of earlier year utilised / expensed	: -	-	-	-
Deferred Tax	: (103.99)	127.05	(224.29)	288.00
Income Tax relating to previous year	: -	(1.60)	-	0.20
Profit/(Loss) After Tax	: (313.66)	(194.13)	170.84	179.07
Profit / (Loss) For The Year (After Adjustment For Minority Interest)	: -	-	-	-
Balance brought forward from previous year	: 156.91	351.04	1495.02	1389.22
Transferred to Reserve Fund	: -	-	95.24	73.07

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Adjustment in Profit / (Loss)	:	-	-	-	-
Balance Carried Forward	:	(156.75)	(156.91)	1570.43	1495.02

These standalone and consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(2) **Dividend:**

Your Directors have not recommended payment of dividend for the financial year ended March 31, 2021 since it is proposed to retain the same in the business.

(3) **Transfer to Reserve Fund:**

Your Directors do not proposed to appropriate any amount to be transferred to General Reserves during the financial year 2020-21.

(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. The pandemic continued to impact the business substantially. The country was under lockdown or very little economic activity for a large part of last year. This impacted the transportation related businesses substantially since there was very less travel and people were largely working from home. A pandemic of 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.

The impact of pandemic is still continuing with Wave 2 hitting the country towards the end of 2021. The magnitude and impact of Wave 2 is much more intense and severe and has pushed the country into another lockdown in Q1 2022.

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.

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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 1,250 million through term loans from Banks. Interest payment or principal repayment of the term loans due as on March 31, 2021 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, 2021, Total Debt stood at Rs.7,406 mn (Rs. 8,913 mn as of March 31, 2020). 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. 2,432 mn.

(7) **Share Capital:**

- I. **Authorised Share Capital** : The Authorized Share Capital of the Company is Rs. 1,700,000,000 (Rupees Seventeen 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 Thousand Two Hundred Seventy Nine Million Nine Hundred Sixty four Thousand Nine Hundred Eighty only) divided into 127,996,498 (One Hundred

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Twenty Seven Million Nine Hundred Ninety-Six Thousand Four Hundred Ninety Eight) Equity Shares of Rs.10/- each.

There was no change in the Share Capital during the year under review.

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 certificate 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.

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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 unfavourable 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. Assessment is being carried out whether to merge OHFC with OAIS or cause liquidation process under Insolvency and Bankruptcy Code of India, 2016 (Proposal). The Shareholder's approval for the said Proposal will be sought upon approval of ORIX Corporation i.e. ultimate Holding Company. Once the Company receives necessary approval from ORIX Corporation, 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, 2021, 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 2020-2021 for OLFS are as under:

(Rs. in Lakhs)

Particulars		2020-2021	2019-2020
Gross Income	:	33,869	34,804
Profit/(loss) before interest, depreciation and taxation	:	22,191	26,486
Financial charges	:	14,767	17,972
Depreciation	:	947	927
Profit/(Loss) before tax	:	6,477	7,587
Provision for tax:			
Current Tax	:	2,918	2,321
Deferred Tax	:	(1,203)	1,608
Income Tax relating to previous year	:	-	18
Profit/(Loss) after tax	:	4,762	3,641
Transferred to Reserve Fund	:	952	731
Balance Carried forward	:	17,090	13,280

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The broad highlights for FY 2020-2021 for OHFC are as under:

(Rs.in Mn)

Particulars		FY: 2020-2021	FY: 2019-2020
Gross Income	:	11.63	13.16
Profit/(loss) before interest, depreciation and taxation	:	10.95	12.3
Financial charges	:	0	0
Depreciation	:	0	0
Profit/(Loss) before tax	:	10.95	12.3
Less: Taxation expenses		2.84	3.33
Profit/(Loss) after tax	:	8.11	8.97
Balance brought forward from previous year		14.28	5.33
Transferred to Reserve Fund	:	0	0
Adjustment in Profit/ (Loss)	:	0	0
Balance Carried forward	:	22.40	14.3

(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 from the conclusion of 21st Annual General Meeting (AGM) until the conclusion of the 26th AGM of the Company.

The observations made by the Auditors' in their report for the financial year ended March 31, 2021 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, 2021.

II. **Secretarial Auditor:** Pursuant to the provisions of Section 204 of the Act, the Board of Directors at its meeting held on March 31, 2021 had appointed M/s. BNP & Associates, Practicing Company Secretaries, as the Secretarial Auditor

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of the Company to conduct the secretarial audit of the Company for the Financial Year 2020 - 2021.

There are no qualifications, reservations, adverse remarks or disclaimer made by the Secretarial Auditor in their report for the financial year ended March 31, 2021. 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 of the Companies (Management and Administration) Rules, 2014, the Annual Return is uploaded on the website of the Company at [ORIX - OAIS: Reports & Filings \(orixindia.com\)](#)'.
- II. Disclosure as per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 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 or employed for part of the financial year and in receipt of remuneration of Rs. 8,50,000/- (Rupees Eight lakh and fifty thousand) per month is given in 'Annexure-C'.
- 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-D'.

All contracts/ arrangements/ transactions entered into/ by the Company during the financial year under review with related parties were on arms' length basis and in the ordinary course of business of the Company. There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Promoter, Directors, Key Managerial Personnel or other designated persons that may have potential conflict with the interest of the Company.

The Board of Directors of your Company have approved the Related Party Transactions Policy of the Company. During the year under review, the Board of Directors based on the recommendations of the Audit Committee, amended the Policy on Related Party Transactions and the same is uploaded on the Company's website at the web-link [Microsoft Word - Related Party Transaction Policy - OAIS-31.07.2020 \(orixindia.com\)](#). The Policy governs the following:

- (1) Identifying related party(ies), updating and maintaining the database of such person/entities;
- (2) Ascertaining that the transaction entered with the related party(ies) is/are in 'ordinary course of business of business' and at 'arm's length basis';

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- (3) Identifying related party(ies) transaction;
- (4) Obtaining approvals before entering into any related party(ies) transaction;
- (5) Determining the disclosures / compliances to be adhered in relation to the related party(ies) transaction.

Transactions with related parties, as per the requirements of Accounting Standard 18, are disclosed to the notes to accounts annexed to the financial statements.

- IV. Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Board of Directors has, based on the recommendation of the Nomination and Remuneration Committee (NRC) of the Company, approved the policy on Directors' appointment and remuneration for Directors, Senior Management, KMPs and other employees. The said Policy is available on the website of the Company at [Microsoft Word - Nomination and Remuneration Policy - 14-5-15 - OAIS \(orixindia.com\)](#). Further, 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 also annexed as 'Annexure-E'.
- V. Disclosures pursuant to the provisions of Rule 8(5) of the Companies (Accounts) Rules, 2014 are as follow:
 - (a) There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.;and
 - (b) There was no instance of one time settlement with any Bank or Financial Institution.

(13) **Corporate Governance:**

The report on Corporate Governance for the Company is annexed as '[Annexure-F](#)' 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.

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

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II. Technology Absorption:

Not Applicable

III. Foreign Exchange Earnings and Outgo:

There is foreign exchange outgo of Rs. 118.02 mn during the financial year under review.

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

I. Pursuant to the re-appointment of Mr. Nagesh Dubey (DIN: 06967617) and Mr. Abhay Kakkar (DIN: 06659327), Independent Directors, by the Board of Directors of the Company as mentioned in the previous Annual Report, the Members in their 25th Annual General Meeting held on September 25, 2020 approved their re-appointment to hold office as Independent Directors of the Company not liable to retire by rotation on the Board of the Company for the period of five years commencing from March 09, 2020 until March 08, 2025.

II. On recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors, at its meeting held on July 31, 2020, appointed Mr. Yoshiaki Matsuoka (DIN: 08141800) as an Additional Non-Executive Director of the Company with effect from July 31, 2020. The Members of the Company in their 25th Annual General Meeting held on September 25, 2020, approved his appointment as Director of the Company.

Further the Board of Directors, at its meeting held on January 12, 2021 appointed Mr. Yoshiaki Matsuoka (DIN: 08141800), the existing Director of the Company as the Chairman of the Board and the Company with effect from January 12, 2021.

III. On recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors, at its meeting held on November 04, 2020, appointed Mr. Takashi Nakayama (DIN: 08768983) as an Additional Non-Executive Director of the Company with effect from November 04, 2020 upto the date of 26th Annual General Meeting of the Company and thereafter subject to the approval of the Members at the ensuing General Meeting of the Company.

IV. On recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors, at its meeting held on January 12, 2021, appointed Mr. Takehiro Onishi (DIN: 09019630) as an Additional Non-Executive Director of the Company with effect from January 12, 2021 upto the date of 26th Annual General Meeting of the Company and thereafter subject to the approval of the Members at the ensuing General Meeting of the Company.

V. On recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors, at its meeting held on March 31, 2021, appointed Mr. Shin Hamada (DIN: 09100127) as an Additional Non-Executive

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Director of the Company with effect from March 31, 2021 upto the date of 26th Annual General Meeting of the Company and thereafter subject to the approval of the Members at the ensuing General Meeting of the Company.

- VI. On recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors, at its meeting held on March 31, 2021 re-appointed Mr. Sandeep Gambhir (DIN: 00083116), Chief Executive Officer as Managing Director of the Company for the period commencing from April 01, 2021 until March 31, 2024 subject to the approval of the Members in the ensuing General Meeting of the Company.
- VII. In the view of organizational changes at ORIX Corporation (Japan), the Holding Company:
- (a) Mr. Ikuo Nakamura (DIN 08074714) Director had resigned from the Board of Directors of the Company with effect from July 31, 2020.
 - (b) Mr. Kiyokazu Ishinabe (DIN 07763966) Director had resigned from the Board of Directors of the Company with effect from November 04, 2020.
 - (c) Mr. Harukazu Yamaguchi (DIN 03535391), Director and Chairman had resigned from the Board of Directors of the Company with effect from January 12, 2021.

The Board placed on record its sincere appreciation for the valuable contribution and services rendered by Mr. Ikuo Nakamura, Mr. Kiyokazu Ishinabe as Directors of the Company and Mr. Harukazu Yamaguchi as Director and Chairman of the Company.

- VIII. Mr. Sandeep Gambhir (DIN 00083116), Managing Director and Chief Executive Officer, Mr. Vivek Wadhwa, Chief Financial Officer and Mr. Jay Gandhi (ICSI Membership no. A16040), Company Secretary are the Key Managerial Personnel (KMP) of the Company pursuant to Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(16) **Retire by Rotation :**

In accordance with Section 152 and other applicable provisions of the Act, Mr. Yoshiaki Matsuoka (DIN 08141800) being Non-Executive Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. The Board recommends his re-appointment.

(17) **Declaration from Directors**

All the Directors of the Company have confirmed that they are not disqualified from being appointed/ continuing as Directors in terms of section 164 of the Companies Act, 2013.

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(18) **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. All Independent Directors have submitted the declaration of compliance of sub-rule (1) and sub-rule (2) of rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the Board. 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.

The Independent Directors are persons of integrity and possess the relevant proficiency, expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management of the Company.

(19) **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.

(20) **Vigil Mechanism:**

The Company has adopted Whistle Blower policy with a view to provide a Vigil mechanism framework 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. During the year under review, the Board

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of Directors based on the recommendations of the Audit Committee, amended the Vigil Mechanism Policy and the same is uploaded on the Company's website at the web-link [Microsoft Word - Whistle Blower Policy-04.11.2020-OAIS \(orixindia.com\)](#).

The Company conducts regular workshops and training sessions to inform and educate the employees about Whistle Blower Policy. During the year 2020-21 the Company had received four complaints in the form of whistle bower under the Whistle Blower Policy. The reported incidents were dealt with and two complaints were disposed-off by the Audit Committee in accordance with the Whistle Blower Policy of the Company and investigation for two complaints are in process.

(21) **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 promoting Education, Promoting Healthcare, Women empowerment and Sanitation . These projects are in accordance with Schedule VII of the Companies Act, 2013

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.

The annual disclosure on CSR activities is annexed herewith as "[Annexure-G](#)".

(22) **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

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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

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regulatory guidelines and gives such directions to the Management as necessary / considered appropriate.

Since FY 2013-2014 and until March 31, 2021, the Internal Function was headed by Mr. Jay Gandhi. He was also made in-charge of the Compliance Department, an independent department to oversee functions as stipulated above. Considering the Company's size, shareholder's interest and governance perspective, the Internal Audit function had been segregated from the Management and accordingly Mr. Jay Gandhi relinquished his position as Head of Internal Audit and Mr. Akshat Shetty has been appointed as Head of Internal Audit effective April 1, 2021. Mr. Gandhi will continue to head other functions such as Legal, Secretarial and Compliance besides the Company Secretary of holding Company

(23) **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.

(24) **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.

(25) **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. The Company has constituted Internal Complaints Committees as per the above Act. During the year under review, one complaint was received under the above Act and the investigation for same is in process in accordance with the Policy.

(26) **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.

(27) **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:

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- (1) that in preparation of the annual accounts for the financial year ended March 31, 2021, 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, 2021 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.

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

During the year under review, the Auditors have not reported any instances of frauds committed in the Company by its Officers or employees to the Audit Committee under sub-section (12) of section 143 of the Companies Act, 2013.

(29) **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.

ORIX Auto Infrastructure Services Limited

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(30) **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) Material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2021) and the date of the Report - The outbreak of COVID-19 pandemic globally and in India have caused significant disturbance and slowdown of economic activity. Operations and revenue have been impacted due to COVID-19.

(31) **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

Digitally signed by Sandeep Gambhir
DN: cn=Sandeep Gambhir, o=ORIX Auto Infrastructure Services Ltd., ou=ORIX Auto Infrastructure Services Ltd., email=sandeep.gambhir@orixindia.com, c=IN
Date: 2021.07.29 15:32:47 +05'30'



Sandeep Gambhir
Managing Director and CEO
DIN: 00083116

Digitally signed by RYOHEI SUZUKI
Date: 2021.07.29 18:24:10 +05'30'



Ryohei Suzuki
Director
DIN: 08218888

Place: Mumbai
Date : July 29, 2021

ORIX Auto Infrastructure Services Limited

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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. 5,17,67,27,736
(5)	Total Assets	Rs. 24,30,00,01,485
(6)	Total Liabilities	Rs. 24,30,00,01,485
(7)	Investments	Nil
(8)	Turnover	Rs. 3,38,68,94,097
(9)	Profit before Taxation	Rs. 64,77,39,301
(10)	Provision for taxation	Rs. 17,15,25,014
(11)	Profit after Taxation	Rs. 47,62,14,287
(12)	Proposed dividend	0
(13)	Percentage of Shareholding	100%

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(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.2,23,97,238
(5)	Total Assets	Rs.22,73,37,482
(6)	Total Liabilities	Rs.22,73,37,482
(7)	Investments	Nil
(8)	Turnover	Rs. 1,16,28,919
(9)	Profit before Taxation	Rs. 1,09,49,919
(10)	Provision for taxation	Rs. 28,35,032
(11)	Profit after Taxation	Rs. 81,14,887
(12)	Proposed dividend	0
(13)	Percentage of Shareholding	100%

Notes :

- Names of subsidiaries which are yet to be commence operations : ORIX Housing Finance Corporation India Limited.
- Names of subsidiaries which have been liquidated or sold during the year: None

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Part “B” – Associates and Joint Ventures - None

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

**Sandeep
Gambhir**

Digitally signed by Sandeep
Gambhir
DN: cn=Sandeep Gambhir,
o=ORIX Auto Infrastructure
Services Ltd., ou=ORIX Auto
Infrastructure Services Ltd.,
email=sandeep.gambhir@orixindi
a.com, c=IN
Date: 2021.07.29 15:33:28 +05'30'

**Sandeep Gambhir
(Managing Director and CEO)
DIN: 00083116**

**VIVEK
WADHERA**

Digitally signed by VIVEK WADHERA
DN: c=IN, o=Personal, postalCode=110088,
st=Delhi,
2.5.4.20=43e1af4b56a4573c4cb8e1fa288329
b9aa549c0815b6f69d61022e964ec32c24,
pseudonym=A10BA7C0FE89B166598422A7
66389412E0E38E79,
serialNumber=5DB43932827EC6552423A5B
79BEC45ED47F819132F60CE4D04752EE61F
0BCAA2, cn=VIVEK WADHERA
Date: 2021.07.29 15:29:56 +05'30'

**Vivek Wadhera
(Chief Financial Officer)**

**RYOHEI
SUZUKI**

Digitally signed
by RYOHEI
SUZUKI
Date: 2021.07.29
18:24:45 +05'30'

**Ryohei Suzuki
(Director)
DIN: 08218888**

**GANDHI
JAY
NIRANJAN**

Digitally signed
by GANDHI JAY
NIRANJAN
Date:
2021.07.29
15:43:42 +05'30'

**Jay Gandhi
(Company Secretary)**

Place: Mumbai
Date: July 29, 2021



Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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, 2021 ('the audit period' / "review period" / "period under review").

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

We are issuing this report based on:

- (i) our **verification** of the books, papers, minute books, soft copies 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 2021 as well as before the issue of this report,
- (ii) **Compliance Certificates** confirming Compliance with all laws applicable to the company provided 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, 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 2021 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("FEMA") 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(to the extent applicable);
- 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 2021 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 provisions of the Act, Rules, Regulations, Guidelines and Standards as mentioned 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 meetings of Board of Directors and Committees thereof, 25th Annual General Meeting held on 25th September, 2020 **except** for few meetings for which draft minutes were circulated to all the Directors beyond the prescribed time limit of 15 days from the date of conclusion of the meeting and hence minutes of such meetings were entered in the minutes book beyond the prescribed time limit of 30 days as per Secretarial Standards-1
 - (c) The Compliance with 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 meetings and Committee meetings held through video conferencing during the review period were verified based on the minutes of the meetings provided by the Company.

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- (d) During the year under review, the Company had received four complaints under Whistle Blower mechanism and one case of Sexual Harassment reported. Two out of four complaints under WB mechanism have been closed whereas 2 (two) complaints under Whistle Blower mechanism which were received in May 2020 and November 2020, respectively and one complaint which was received under POSH Act , 2013 in February 2021, are being investigated and investigations are under process.
- (e) In respect of compliance with FEMA,1999, pertaining to External Commercial Borrowings made by the Company, please refer to note no. 4.2 appearing under the heading "**Specific events/actions**".

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, 2018;
- 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.

2. Board processes:

We further report that –

2.1 The Board of Directors of the Company as on 31st March 2021 comprised of:

- (a) One Chairman /Director,
- (b) One Managing Director and CEO,

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- (c) One Whole Time Director,
- (d) Four Non- Executive Non-Independent Directors (including 3 Additional Directors), and
- (e) Two Independent Directors.

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 Ms. Meeta Sanghvi (DIN: 08065804) , as a Director , liable to retire by rotation, at the 25th Annual General Meeting held on 25th September, 2020.
- (ii) Appointment of Mr. Yoshiaki Matsuoko, (DIN: 08141800) as a Director, at the 25th Annual General Meeting held on 25th September, 2020. He was also appointed as Chairman of the Board and the Company by the Board of Directors in their meeting held on January 12, 2021.
- (iii) Re-appointment of Mr. Nagesh Dubey (DIN: 06967617) & Mr. Abhay Kakkar (DIN: 06659327) as Independent Directors at the 25th Annual General Meeting held on 25th September, 2020.
- (iv) Resignation of Mr. Ikuo Nakamura (DIN: 08074714) as Director and Appointment of Mr. Yoshiaki Matsuoko (DIN: 08141800) as Additional Director in the Board Meeting held on 31st July, 2020
- (v) Resignation of Mr. Kiyokazu Ishinabe (DIN: 07763966) as Director and appointment of Mr. Takashi Nakayama (DIN : 08768983) as an Additional Director of the Company in the Board Meeting held on 4th Nov, 2020.
- (vi) Resignation of Mr. Harukazu Yamaguchi (DIN:03535391) as Director and appointment of Mr. Takehiro Onishi (DIN : 08768983) as an Additional Director of the Company in the Board Meeting held on 12th January, 2021.
- (vii) Re-appointment of Mr. Sandeep Gambhir (DIN: 00083116), Chief Executive Officer and Key Managerial Personnel, as Managing Director of the Company, for the period commencing from April 1, 2021 and ending on March 31, 2024, at the Meeting of the Board of Directors , held on 31st March 2021, subject to the approval of shareholders of the Company in the ensuing Annual General Meeting of the Company.
- (viii) Approval for appointment of Mr. Shin Hamada (DIN 09100127) as an Additional Director of the Company, w.e.f 31st March, 2021, in the Board Meeting held on dated 31st March, 2021, who shall hold office till the date of the ensuing Annual General Meeting of the Company, subject to approval of shareholders.

2.3 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings and Committee meetings, except for few meetings which were 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 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 its 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:

1. Subject to the approval of the shareholders of the Company, at the ensuing general meeting, approval of the Board of Directors was accorded at their meeting held on 31st March, 2021, for the alteration of the Articles of Association of the Company, and the following Resolution was passed:

"RESOLVED THAT pursuant to provisions of section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to the approval of the Members of the Company, consent of the Board of Directors be and is hereby accorded for:

(1) alteration of the Articles of Association of the Company by:

(a) Amending Article Nos 8, 15(a), 27, 28, 102, 106, 111, 115, 120, 121, 122, 123, 124, 125, 128, 129, 131, 138, 163, 183, 185 and 187;

(b) Deletion of existing Article No 126 and thereby renumbering further Article Nos 127 to 237 as 126 to 236.

AND

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(2) replacing the aforesaid Articles Nos with new Article Nos and that the new set of Articles of Association of the Company, as tabled before the meeting for the purpose of identification of the Board, due to alterations as aforesaid. "

RESOLVED FURTHER THAT any one of the Director of the Company or the Company Secretary be and is hereby authorized severally to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution including filing of forms with the Ministry of Corporate Affairs and furnishing of certified true copy of the resolution as and when required."

4.2 Refer Paragraph 1.1(ii) (e) of this Report:

We are informed that, in view of the prevailing pandemic of COVID-19, the Company had submitted draft of the relevant forms in connection with its External Commercial Borrowings (ECB) to its Authorized Dealer (AD), initially on time. This was for onward submission to the Reserve Bank of India (RBI). The AD also in turn forwarded the forms to RBI. Subsequently the Company finalized the relevant ECB related forms for the period from April 2020 to November 2020. The Company submitted the completed version of the forms to the AD on 2nd March, 2021. Pursuant to this as well as email communication received from AD, the Company has confirmed timely submission of ECB-2 forms to RBI through its AD. Thus our report is based on information, documents provided by the Company during Audit period to us. Considering the scope and areas to be covered, we conducted the Secretarial Audit on sample / Test check basis.

Place: Mumbai
Date: 29th July, 2021



K. Venkataraman

Venkataraman Krishnan
Associate Partner
ACS No.8897
COP No.12459
UDIN: A008897C000702766
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.

Place: Mumbai
Date: 29th July, 2021



K. Venkataraman

Venkataraman Krishnan
Associate Partner
ACS No.8897
COP No.12459

UDIN: A008897C000702766
For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR-637/2019

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Annexure-C

Disclosures in terms of Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of the Employee and Designation	Designation	Remuneration Received (in Rs.)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age	Last Employment held before joining the Company	The % of Equity Shares held by the employee	Relative of any Director or Manager
Sandeep Gambhir,	Managing Director and Chief Executive Officer	2,75,14,496	Full Time Employment	B.Com, CA, Cost Accountant 24 Years of experience	8-Jan-13	48 years	Barclays Investment & Loans (India) Limited	*1 share jointly with ORIX Corporation	Nil
Vivek Wadhera,	Chief Financial Officer	1,88,84,560	Full Time Employment	B.Com, CA, 22 Years of experience	9-Apr-13	44 years	Barclays Bank plc	*1 share jointly with ORIX Corporation	Nil
Pankaj Jain	Executive Vice President	1,37,52,671	Full Time Employment	B.Com, PGDBA, 30 Years of experience	30-Sep-09	53 years	Carzonrent (India) Pvt. Ltd.	*1 share jointly with ORIX Corporation	Nil
Harvinder Gandhi	Executive Vice President	1,22,57,345	Full Time Employment	B.E, Strategic Management Course, 28 Years of experience	03-Feb-20	52 years	Rattan India Group	-	Nil

*ORIX Corporation is the first shareholder

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Annexure-D

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	(i) ORIX Corporation, Japan -Holding Company (ii) ORIX Leasing & Financial Services India Limited –Subsidiary Company (iii) ORIX Housing Finance Corporation India Limited – Subsidiary Company. (iv) Infrastructure Leasing and Financial Services Ltd - Fellow Subsidiary.
(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.

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Annexure-E

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.

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(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.

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- (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.

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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.

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Annexure – F

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:- 2020–2021, the meetings of the Board of Directors were held on July 31, 2020, November 04, 2020, January 12, 2021, and March 31, 2021. At least one meeting was held in every quarter and the time gap between any two meetings was less than 120 days except for the meeting not held during the quarter ending June 30, 2020 and the gap of meeting held between February 26, 2020 and July 31, 2020 was more than 120 days. The same was in compliance with the MCA notification no. 11/2020 dated March 24, 2020 regarding increasing the interval between holding of 2 board meetings from 120 days to 180 days until September 30, 2020 in view of pandemic caused by COVID-19.

The present strength of Board of Directors is Nine (9) 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, 2021 are as under:

Sr.No.	Name of Director	No. of Board Meetings Attended	Last AGM Attended
(1)	Mr. Yoshiaki Matsuoka, Director and Chairman	4	Yes
(2)	Mr. Sandeep Gambhir, Managing Director and CEO	4	Yes

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(3)	Mr. Ryohei Suzuki, Whole time Director	4	Yes
(4)	Mr. Kiyokazu Ishinabe, Director	2	Yes
(5)	Mr. Abhay Kakkar, Independent Director	4	No
(6)	Mr. Nagesh Dubey, Independent Director	4	Yes
(7)	Ms. Meeta Sanghvi, Director	4	Yes
(8)	Mr. Harukazu Yamaguchi, Director and Chairman	2	Yes
(9)	Mr. Ikuo Nakamura, Director	0	Not Applicable
(10)	Mr. Takashi Nakayama, Additional Director	3	Not Applicable
(11)	Mr. Takehiro Onishi, Additional Director	1	Not Applicable
(12)	Mr. Shin Hamada, Additoinal Director	1	Not Applicable

(C) Committees of the Board of Directors:

(I) Composition:

Sr. No.	Name of the Committee	Composition of the Committee
(1)	Audit Committee	Mr. Takashi Nakayama - Chairman Mr. Nagesh Dubey Mr. Abhay Kakkar
(2)	Nomination and Remuneration Committee (NRC)	Mr. Takashi Nakayama- Chairman Mr. Abhay Kakkar Mr. Nagesh Dubey Mr. Ryohei Suzuki

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(3)	Treasury and Asset Liability Management Committee	Mr. Takashi Nakayama - Chairman
		Mr. Sandeep Gambhir
		Mr. Ryohei Suzuki
(4)	*Executive Committee	Mr. Takashi Nakayama
		Mr. Sandeep Gambhir
		Mr. Ryohei Suzuki
(5)	Risk Management Committee	Mr. Takashi Nakayama - Chairman
		Mr. Sandeep Gambhir
		Mr. Ryohei Suzuki
(6)	Corporate Social Responsibility (CSR) Committee	Mr. Takashi Nakayama – Chairman
		Mr. Sandeep Gambhir
		Mr. Abhay Kakkar

* During the year under review the Credit Committee and Residual Value Committee were dissolved and their powers were consolidated in the Executive Committee of the Company effective March 31, 2021.

(II) Powers of the Committees:

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

(1) 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 understand how management develops interim financial information and the nature and extent of internal and external auditor involvement in the process.
- (iii) To review or set up Accounting Policy Related Party Transaction (RPT) Policy of the Company on a periodic basis and recommend to Board for approval (subject to prior approval of ORIX Corp).
- (iv) 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

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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 and seek approval of the Board on these transactions;

- (v) 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;
- (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;

(2) **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) (subject to prior approval of ORIX

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Corp);

- (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:
 - subject to prior approval of ORIX Corp, 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

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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.

(3) **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
- (iv) Review the report of auditor on internal control over financial reporting and recommend to the Board of Director for its approval

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(4) **Internal Audit:**

The Committee shall:

- (i) Review and approve the Internal Audit Charter annually.
- (ii) Ensure that the internal audit activity, purpose, authority, and responsibility are consistent with the mandatory guidance of The IIA's International Professional Practices Framework
- (iii) Recommend to the Board of Directors for the appointment or termination / removal / dismissal of the Head of Internal Audit (subject to prior approval of ORIX Corp);
- (iv) review and approve the role and mandate of internal audit, monitor and review the effectiveness of its work subject to the condition that it must comply with ORIX's Rules for internal audit ;
- (v) review and approve the annual risk based 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;
- (vi) ensure internal audit has unrestricted scope, the necessary resources and access to information as well as to management, staff to enable it to fulfil its mandate;
- (vii) 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;
- (viii) meet regularly with the Internal Audit Head without management being present, to:
 - (a) discuss any issues arising from the audit and also effectiveness of the function; or
 - (b) Inquire of the Internal Audit Head whether any evidence of fraud has been identified during internal audit engagements and evaluate what additional actions, if any, has been taken.
- (ix) carry out an annual assessment of the effectiveness of the

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internal audit function; and as part of this assessment:

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- (a) determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business; and
 - (b) review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function;
 - (x) 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
 - (xi) With regard to, Quality Assurance and Improvement Program (QA&IP):
 - (a) Ensure that Internal Audit activity has QA&IP;
 - (b) Review the results of the independent external quality assurance.
 - (c) Review and monitor the implementation of the internal audit activity's action plans to address any recommendations;. and
 - (d) that the results of these periodic assessments are presented to the Audit Committee
 - (xii) consider whether an independent, third party review of Information Technology (IT) Audit are appropriate.
 - (xiii) Ensure that the internal audit activity has an external quality assurance review every five years.
 - (xiv) Advise the Board of Directors about any recommendations for the continuous improvement of the internal audit activity.
- (5) **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) approve remuneration of Tax Auditor
- (iii) review the findings of the audit with the Tax Auditor.

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This shall include but not be limited to, the following:

- (a) discussion of any major issues which arose during the audit; and
- (b) review Tax Audit Report.

(6) **Compliance :**

- (i) Review and approve Compliance Charter annually and also approve formulation, abolition or amendment of rules on compliance related matters or compliance related policies (subject to prior approval of ORIX Corp / ORIX Corp's Global General Counsel's Office)
- (ii) 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.
- (iii) 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.
- (iv) Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.
- (v) Obtain regular updates from compliance head regarding compliance matters.
- (vi) Review regular reports from the Compliance Officer and keep under review the adequacy and effectiveness of the company's compliance function
- (vii) 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

(7) **Organizational Governance:**

To obtain reasonable assurance with respect to the organization's governance process, the Audit Committee shall review and provide advice on the governance process established and maintained within the organization and the procedures in place to ensure that they are operating as intended.

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(8) **Risk Management:**

To obtain reasonable assurance with respect to the organization's risk management practices, the Audit Committee shall annually review the organization's risk profile

(9) **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
- (iv) Institute and oversee special investigations as needed.

(10) **Litigation Review:**

- (i) To review report of Managing Director on litigation against or by the Company involving debt or claim upto JPY 100 Mn;
- (ii) To review and recommend to the Board of Directors for actions with regard to litigation against or by the Company involving debt or claim over JPY 100 Mn (subject to prior approval of ORIX Corp)

Note:

Progress and Final Report about **Important Legal Dispute** must be approved by ORIX Corp. Important legal disputes refers to the following:

- (a) The legal dispute is for JPY100 Mn and more, regardless OAIS's/OLFS's position as plaintiff or defendant.
- (b) The legal dispute could have significant impact on OAIS's / OLFS's profile for many years, even if it is for less than JPY100 Mn i.e. The legal dispute must be reported to ORIX Corp if it could have a significant impact on the Company.

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(11) **Other Responsibilities :**

- (i) To review and update this Charter annually.
- (ii) Perform other activities related to this charter as requested by the governing body.
- (iii) The audit committee shall report to the Board of Directors annually, summarizing the Audit Committee's activities and recommendations. The report may be delivered during an Audit Committee meeting attended by the Board or during a regularly scheduled meeting of the board. The report should include summary of the work the audit committee performed to fully discharge its responsibilities during the preceding year.

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

- (1) Reviewing the current Board composition, its governance framework and determine future requirements and making recommendations to the Board for approval.
- (2) Examining the qualification, knowledge, skill sets, positive attributes and experience of each director and their effectiveness to the Board on a yearly basis.
- (3) 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.
- (4) To recommend to the Board of Directors about remuneration of Directors including Managing Director.
- (5) To lay down criteria in relation to appointment and removal of Directors and KMP
- (6) To identify the persons who are qualified to become Directors and KMP and recommendation to the Board for their appointment and/or removal. *Directors and Head Accounting Officer, who signs off sworn statement over Annual Financial Information as "Senior Accounting Officer", requires ORIX Corp's prior approval.*

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- (7) To determine / lay down criteria for increase in remuneration of KMPs and SMP based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- (8) To carry out evaluation of the performance of the Board of the Company, Committees of the Board and individual Directors of the Company
- (9) To carry out evaluation of KMP and SMP and approve their elevation to next level depending on their performance.
- (10) To lay down criteria for payment of incentives to KMP and SMP and approve payment of incentives to them.
- (11) To note the incentives and commission schemes for employees other than SMPs and KMPs approved by the Managing Director
- (12) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- (13) Formulate the Nomination and Remuneration Policy and recommend to the Board of Directors for approval.
- (14) To review and update Nomination and Remuneration Committee Charter annually.

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

- (1) Setting of / preparing funding policy.
- (2) Pricing of products for both deposits and advances.
- (3) Fixing of desired maturity profile and mix of the incremental assets and liabilities.
- (4) Reviewing the results and progress in implementation of the decisions made in the previous meeting.
- (5) To articulate the current interest rate view.
- (6) 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.

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- (7) Establishment of relations with bankers / financial institutions / companies for borrowing transactions (new or renewal).
 - (8) 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. To be pre-approved by ORIX Corp.
 - (9) 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. To be pre-approved by ORIX Corp.
 - (10) 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. To be pre-approved by ORIX Corp.
 - (11) To report on funding transactions and activities (borrowings, commitment lines, guarantee amounts, derivative transactions, ALM related items and covenant compliance matters).
 - (12) Allotment of securities as defined under Securities Contracts (Regulation) Act, 1956:
 - (i) To approve allocation / allotment of shares, debentures and other securities not exceeding the amount of issue approved by the Board of Directors of the Company from time to time.
 - (ii) To approve allotment of securities from time to time.
 - (iii) To affix or authorize affixation of Common Seal of the Company on the security certificates of the company; and
 - (iv) To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.
 - (13) To review and update Treasury and Asset Liability Management Committee Charter annually.
- (IV) Executive Committee: The key responsibilities of the Committee are:

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(1) Credit (Approval of Credit facilities to the Lease Customers of the Company):

- (a) Approval of Credit Proposals of operating businesses of the Company as per Annexure 1 of the Executive Committee Charter.

(2) Setting Residual Value and Maintenance Budget for Leased Vehicle:

- (a) Setting up of Residual Value Policy.
- (b) Setting up / alteration of Residual Value of Vehicles and Maintenance budget of Vehicles (Per KM Maintenance Cost) for leased vehicles.
- (c) Delegate powers of the Committee to the Executives of the Company with regard to:

(i) Increase in Residual Value as below:

- Business Heads may be authorised to increase RV of a vehicle by 5% over existing RV Grid.
- Managing Director may be authorised to increase RV of vehicle by 8% over existing RV Grid.
- Any increase in RV of any vehicle > 8% over existing RV Grid to be approved by any two Members of the Committee.

(ii) Decrease in Per KM Maintenance Cost of the Vehicles, as setup and approved by the Committee referred in point no (2) above, depending on the prevailing market conditions and to suit offering of competitive quotes and to make transaction process more efficient as below:

- Slab 1 – may be approved by Branch Head.
- Slab 2 - may be approved by Business Head
- Slab 3 - may be approved by Managing Director.
- Slab 4 - may be approved by the Committee.

Note: The Business Head should monitor and report the transactions approved, based on the above Slabs, in the next Committee meeting.

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(3) Capital Expenditure for Business Operations:

- (a) Acquisition of Cars for RAC and BTS Business operations (For Single Client/Group) above **INR 185 Mn** and **up to INR 300 Mn** *subject to prior approval of ORIX Corp.*
- (b) Acquisition and Disposal of Fixed Assets (for single purpose excluding operating assets and Computer Hardware and Software CAPEX) over **JPY 20 Mn** and **up to JPY 100 Mn** *subject to prior approval of ORIX Corp.*

(4) General Administration:

- (a) To note waiver of income/reversals approved by Director or Managing Director.
- (b) To note non-performing Assets (NPA) occurrence (Client or Clients group) of receivables as approved by the Managing Director **up to INR 6 Mn.**
- (c) To approve non-performing Assets (NPA) occurrence (Client or Clients group) receivables over **INR 6 Mn** and reporting the same to *ORIX Corporation post approval.*
- (d) Rescheduling of non-performing receivables (Client or Client's group):
 - (i) Total receivables **up to INR 6.0 Mn**; and
 - (ii) Total receivables over **INR 6.0 Mn** *subject to prior approval of ORIX Corp*
- (e) Recommend to the Board for approval of Write off:
 - (i) Total receivables up to INR 3.1 Mn (Client or Client's group);
 - (ii) Total receivables Over INR 3.1 Mn and up to INR 7.8 Mn (Client or Client's group) subject to prior approval of ORIX Corp (HQ); and
 - (i) Total receivables over INR 7.8 Mn (Client or Client's group) subject to prior approval of ORIX Corp (ICC).

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- (f) To consider and approve opening of New Bank Accounts (Current Account / Cash Credit Account / Overdraft 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.
 - (g) To note Principal and Agency Agreement approved by MD.
 - (h) To approve general expenditure (for single purpose) over **INR 10 Mn.**
 - (i) To consider and approve closure of Bank Accounts.
 - (j) Lease and/or rental (excluding operating assets and Computer Hardware and Software OPEX) expenses (including real estate for Company's use) where annual rental is over **JPY 10 Mn** *subject to prior approval of ORIX Corp.*
 - (k) Disposal of Fixed Assets (for single purpose excluding operating assets) over **JPY 20 Mn** and **up to JPY 100 Mn** *subject to prior approval of ORIX Corp.*
- (5) Other functions:
- (a) Perform such other functions as may be necessary or appropriate for the performance of its duties and as are delegated to it by the Board.
 - (b) To review and update Executive Committee Charter annually.
- (V) Risk Management Committee: The key responsibilities of the Committee are:
- (1) Risk planning;
 - (2) Risk assessment & monitoring – Economy Review, Industry Review, Portfolio Review, Rating;
 - (3) Risk systems (MIS and IT system integration);
 - (4) Risk reporting – Keeping the Board informed at regular intervals of credit, market and operational Risk Profile of the Company;

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- (5) To decide and delegate powers of Executive Committee of Board (EXCO) [only Credit related matters amongst the individual in credit department] with regard to person and amount;
- (6) To lay down internal rules, policies, processes and regulations with regard to Credit authorisations and delegate it to the executives of the Company; and
- (7) To review and update Risk Management Committee Charter annually.

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

- (1) To formulate & update a CSR Policy and seek recommendation of the Board on the CSR activities to be undertaken by the Company.
- (2) To suggest areas of intervention & approve projects for CSR activities.
- (3) Put monitoring mechanisms in place to track the progress of each project.
- (4) To approve CSR expenditure in accordance with the Companies Act, 2013 including the Rules and Schedules framed thereunder and the CSR Policy of the Company referred to in clause (1).
- (5) To review and update Corporate Social Responsibility Committee Charter annually.

(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	Mr. Yoshiaki Matsuoka	Mr. Takashi Nakayama
Audit Committee	4	4	4	NA	NA	3	NA	1
Nomination and Remuneration Committee	5	5	5	5	-	2	1	1
Treasury and Asset Liability	2	NA	NA	2	2	1	NA	1

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Management Committee								
Residual Value Committee	2	NA	NA	2	2	0	NA	1
CSR Committee	1	NA	1	NA	1	NA	NA	1
*Risk Management Committee	-	NA	NA	-	-	-	NA	-
*Credit Committee	-	NA	NA	-	-	-	NA	
*Executive Committee	-	NA	NA	-	-	-	NA	

*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 09, 2021, to review the performance of Non-Independent Directors, Chairperson of the Company, the Board as a whole and the flow of information between the Board and the management.

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;

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- (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 cover 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 evaluation of Board of Directors, Committees of Board of Directors and the individual Board members by NRC. Further pursuant to Clause VIII of Schedule IV of the Companies Act, 2013, separate evaluation of Independent Directors by all the Directors (excluding the director being evaluated) of the Company was also carried out.

The evaluated questionnaires along with rating received were reviewed in the below manner:

- (a) The questionnaires for evaluation of (i) Board of Directors, (ii) Committees of Board of Directors and the (iii) individual Board members were reviewed by the NRC and placed before the Board for their noting in their meeting held on March 31, 2021.
- (b) The performance of Independent Directors were reviewed and noted by the Board of Directors in their meeting held on March 31, 2021.

(F) General Meetings:

Meeting	Date and Time	Venue	Resolutions passed
25 th Annual General Meeting	September 25, 2020 at 12:30 p.m.	Audio-Video Conferencing (The deemed venue of the Meeting was Registered office of the Company located at Mumbai	(1) Adoption of Audited Standalone Financial Statement and the Audited Consolidated Financial Statement of the Company for the year ended March 31, 2020 together with the Reports of the Board of Directors and Auditor's thereon; (2) Reappointment of Ms. Meeta Sanghvi (DIN: 08065804) who retires by rotation as a Director; <u>Special Business:</u> (3) Appointment of Mr. Yoshiaki Matsuoka (DIN 08141800) as Director of the Company;

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			(4) Re-appointment of Mr. Nagesh Dubey (DIN 06967617) as an Independent Director of the Company ; and (5) Re-appointment of Mr. Abhay Kakkar (DIN 06659327) as an Independent Director of the Company

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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 of the Companies Act, 2013 which outlines its CSR objectives and the manner in which it will be implemented. Various projects are within the framework of Schedule VII of the Act. The web link to the CSR policy is at [Microsoft Word - Policy - CSR Policy - OAIS - 21-12-2016 - Final \(orixindia.com\)](#).
- (2) Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	*Mr. Takashi Nakayama	Chairman of CSR Committee (Director)	1	1
2.	Mr. Sandeep Gambhir	Member (Managing Director and CEO)	1	1
3.	Mr. Abhay Kakkar	Member (Independent Director)	1	1

*Mr. Kiyokazu Ishinabe resigned as Director of the Company with effect from November 4, 2020. Hence, Mr. Takashi Nakayama was appointed as Director of the Company and Member of CSR committee in place of Mr. Kiyokazu Ishinabe with effect from November 4, 2020. Further, the Chairman of CSR Committee was changed from Mr. Takashi Nakayama to Mr. Ryohei Suzuki vide Board resolution dated July 21, 2021.

- (3) Web-link of Composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the company - [ORIX - OAIS: Reports & Filings \(orixindia.com\)](#)
- (4) Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable - **Not Applicable**.

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- (5) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - **Not Applicable**.
- (6) Average net profit of the company as per Section 135(5): **Rs. 250,401,875** (2017-2018, 2018-2019 and 2019-2020).
- (7) (a) Two per cent of the average net profit of the Company as per Section 135(5) – **Rs. 5,008,038** /-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years 2019-2020- **Nil**
- (c) Amount required to be set off for the financial year 2020-2021, if any - **Nil**
- (d) Total CSR obligation for the financial year 2020-2021 (7a+7b-7c) - **Rs. 5,008,038/-**
- (8) (a) CSR amount spent or unspent for the financial year 2020-2021

Total Amount Spent for the Financial Year. (in Rs.)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 5,008,038	Not Applicable		Not Applicable		

- (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project		Project duration.	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District						Name	CSR Registration No.
Nil												

- (c) Details of CSR amount spent against other than ongoing projects for the financial year 2020-2021:

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(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State.	District			Name	*CSR Registration No.
1.	Rotary Blood Bank	Promoting health care including Preventing health care	Yes	Gurgaon	Haryana	10,00,000	No	Rotary Club of Gurgaon South City Community Services Society	Not Applicable
2.	Students Education Sponsorship, Karnataka	Promoting Education	No	Karnataka	Udupi	5,00,000	No	Nisvartha Foundation	Not Applicable
3.	Early Intervention Centre for Children with Special Needs	Promoting Healthcare	Yes	New Delhi	New Delhi	5,08,038	No	Sarthak Educational Trust	Not Applicable
4.	Promotion of education for Children from Banjara Community	Promoting Education	No	Rajasthan	Jaipur & Alwar	10,00,000	No	Bal Ashram Trust	Not Applicable
5.	Jeevan Dhara (Mumbai) for education in Thematic area	Promoting Education	Yes	Maharashtra	Mumbai	5,00,000	No	Child Rights and You (CRY)	Not Applicable
6.	Purchase of Medical Equipments for cancer patients and financial aid for treatment of children with Cancer	Promoting Health Care including Preventive Health Care	Yes	Maharashtra	Mumbai	5,00,000	No	Tata Memorial Centre	Not Applicable
7.	Atal Community Innovation	Women empowerment	No	Uttar Pradesh.	Deoria	5,00,000	No	Jagruti Sewa Sansthan (Jagruti)	Not Applicable

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	Centre (ACIC),								
8.	Drinking water security	Sanitation and Preventive Health Care.	No	Uttar Pradesh.	Lucknow	5,00,000	No	Jal Seva Charitable Foundation	Not Applicable
Total						50,08,038			

*The details of CSR Registration no. is not applicable as it is effective from 01.04.2021.

- (d) Amount spent in Administrative Overhead – **Nil**
- (e) Amount spent on Impact Assessment, if applicable – **Not Applicable**
- (f) Total amount spent for the Financial Year 2020-2021 (8b+8c+8d+8e) - **Rs. 50,08,038/-**
- (g) Excess amount for set off, if any.

Sl. No	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	50,08,038
(ii)	Total amount spent for the Financial Year	50,08,038
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

- (9) (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
Not Applicable							

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(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
Not Applicable								

(10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. - **Nil**

(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s) – Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset - Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).- Not Applicable

(11) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – Not Applicable

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

RYOHEI SUZUKI
 Digitally signed by RYOHEI SUZUKI
 Date: 2021.07.29 18:26:09 +05'30'

Sandeep Gambhir
 Digitally signed by Sandeep Gambhir
 DN: cn=Sandeep Gambhir, o=ORIX Auto Infrastructure Services Ltd., ou=ORIX Auto Infrastructure Services Ltd., email=sandeep.gambhir@orixindia.com, c=IN
 Date: 2021.07.29 15:34:46 +05'30'

Ryohei Suzuki
Chairman CSR Committee
DIN: 08218888

Sandeep Gambhir
Managing Director
DIN: 00083116

Place: Mumbai
 Date: July 29, 2021

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

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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 2021, 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 standalone 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 ("the 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 2021, 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 more fully described in Note 41(ii) to the standalone financial statement, the extent to which the COVID-19 pandemic will have impact on the expected credit loss provisions made in books on trade receivables is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matters.

Independent Auditors' Report (*Continued*)

ORIX Auto Infrastructure Services Limited

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 Company's annual report but does not include the Standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information 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, profit/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, the 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.

Independent Auditors' Report (*Continued*)

ORIX Auto Infrastructure Services Limited

Auditor's Responsibilities for the audit of the e 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.
- 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 Standalone 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.

Independent Auditors' Report (*Continued*)

ORIX Auto Infrastructure Services Limited

Auditor's Responsibilities for the audit of the Standalone financial statements (*Continued*)

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.
2. (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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid 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 31 March 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 Standalone 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 2021 on its financial position in its Standalone financial statements - Refer Note 36.1 to the Standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Independent Auditors' Report (*Continued*)

ORIX Auto Infrastructure Services Limited

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

- 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 Standalone financial statements since they do not pertain to the financial year ended 31 March 2021.
- (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

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Kapil Goenka
Partner

Membership No: 118189
ICAI UDIN:21118189AAAAON8920

Mumbai
29 July 2021

Annexure A to the Independent Auditors' Report on the Standalone Financial Statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2021

(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 the 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 on the basis of our examination of the books and records of the Company, 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 and on the basis of our examination of the books and records of the Company, 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 the provisions of Section 186 of the Act with Respect to the investment made.
- v. According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, 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. 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.
- vii.
 - (a) According to the information and explanations given to us and on the basis of our examination of the book and records of the Company, 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 does not have any dues on account of sales tax, value added tax, service tax, duty of customs and duty of excise.

Annexure A to the Independent Auditors' Report on the Standalone Financial Statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2021 (Continued)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 to which amount relates	Forum where 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	October 2005 to March 2006	Commissioner of Service Tax, Mumbai
Finance Act 1994 – service Tax	Service Tax	14,006,766	April 2006 to September 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	27,341,525	April 2012 to June 2017	GST Audit Commissioner
Value Added Tax Act	VAT	526,329	December 2006 to December 2011	High Court, Andhra Pradesh

Annexure A to the Independent Auditors' Report on the Standalone Financial Statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2021 (Continued)

Name of the Statute	Nature of Dues	Amount Rs.	Period to which amount relates	Forum where dispute is pending
Value Added Tax Act	VAT	596,383	January 2012 to March 2012	Appellate Deputy Commissioner, Telangana
Value Added Tax Act	VAT	495,761	April 2013 to March 2014	Appellate Deputy Commissioner, Telangana
Value Added Tax Act	VAT	102,382,438	January 2006 to September 2009	Joint Commissioner Commercial Tax, Chennai
Value Added Tax Act	VAT	22,491,744	FY 2012-13	Additional/Joint Commissioner of Sales Tax (Delhi)
Value Added Tax Act	VAT	1,272,069	FY 2015-16	Additional/Joint Commissioner of Sales Tax (Delhi)
Value Added Tax Act	VAT	2,321,427	April 2008 to March 2009	Additional commissioner (Appeal)
Value Added Tax Act	VAT	172,887,041	April 2005 to March 2008	VAT Tribunal, Maharashtra
Value Added Tax Act	VAT	8,615,751	F.Y. 2012-13	VAT Tribunal, Maharashtra
Value Added Tax Act	VAT	14,557,337	F.Y. 2013-14	VAT Tribunal, Maharashtra
Value Added Tax Act	VAT	7,954,232	F.Y. 2014-15	VAT Tribunal, Maharashtra
Value Added Tax Act	VAT	96,609,480	F.Y. 2017-18	Deputy Commissioner of Sales Tax, Mumbai
Value Added Tax Act	VAT	269,313	April 2012 to March 2013	Deputy Commissioner CT, Rajasthan
Value Added Tax Act	VAT	929,811	October 2015-June 2017	Deputy Commissioner, Bhubaneswar
Value Added Tax Act	VAT	10,531,562	April 2008 to March 2009	West Bengal Commercial Taxes A&R Board
Value Added Tax Act	VAT	22,550,640	April 2015 to March 2016	Joint commissioner, Maharashtra
Value Added Tax Act	VAT	44,579,016	April 2016 to March 2017	Joint commissioner, Maharashtra
Value Added Tax Act	VAT	23,428,370	April 2016 to March 2017	West Bengal Commercial Taxes A&R Board

- viii. According to the information and explanations given to us and based on our examination of the records, the Company has not defaulted in repayment of outstanding dues to financial institution, bank or debenture holder during the year. The Company did not have any borrowings from the government during the year.

Annexure A to the Independent Auditors' Report on the Standalone Financial Statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2021 (Continued)

- ix. According to the information and explanations given to us and based on our examination of the records, 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.
- x. According to the explanation and information given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V of the Act.
- xii. In our opinion and 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.
- xiii. 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 Standalone Financial Statements, as required by the applicable accounting standards.
- xiv. 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.
- xv. According to the information and explanation given to us and based on our examination of the records of the Company, 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.
- xvi. According to the information and explanations given to us and based on our examination of the records, 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

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Kapil Goenka
Partner

Membership No: 118189

ICAI UDIN: 21118189AAAAON8920

Mumbai
29 July 2021

Annexure B to the Independent Auditors' report on the Standalone Financial Statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2021.

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 A(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 Standalone Financial Statements of ORIX Auto Infrastructure Services Limited ("the Company") as of 31 March 2021 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 Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to Standalone 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 standalone 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 standalone 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 Standalone 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 Standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone 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 Limited for the year ended 31 March 2021 (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 Standalone Financial Statements.

Meaning of Internal Financial controls with Reference to standalone financial statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to Standalone 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

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Kapil Goenka

Partner

Membership No: 118189

ICAI UDIN: 21118189AAAAON8920

Mumbai
29 July 2021

ORIX Auto Infrastructure Services Limited

Standalone Financial Statement Balance Sheet as at 31 March 2021

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

Particulars	Note	As at 31 March 2021	As at 31 March 2020
I ASSETS			
1 Non-current Assets			
(a) Property, plant and equipment	2	63,274	76,015
(b) Intangible assets	3	412	364
(c) Right-of-use assets	4	730	1,038
(d) Financial assets			
i. Investments	5	42,405	42,405
ii. Other financial assets	6	2,418	1,926
(e) Deferred tax assets (Net)	44	8,125	7,135
(f) Other non-current assets	7	5,369	4,151
Total non-current assets		1,22,733	1,33,034
2 Current Assets			
(a) Inventories	8	246	372
(b) Financial Assets			
i. Trade receivables	9	6,976	14,722
ii. Cash and cash equivalents	10	1,414	2,451
iii. Bank balances other than (ii) above	11	319	77
iv. Loans	12	3	57
v. Other financial assets	13	2,897	2,444
(c) Other current assets	14	9,827	10,421
Total current assets		21,682	30,544
TOTAL ASSETS		1,44,415	1,63,578
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	15	12,800	12,800
(b) Other equity	16	39,747	42,737
Total Equity		52,547	55,537
2 Non-Current Liabilities			
(a) Financial liabilities			
i. Borrowings	17	28,510	41,801
ii. Lease liabilities	18	744	901
ii. Other financial liabilities	19	46	57
(b) Provisions	20	435	366
(c) Other non-current liabilities	21	712	648
Total non-current liabilities		30,447	43,773
3 Current liabilities			
(a) Financial liabilities			
i. Borrowings	22	21,235	27,354
ii. Lease liabilities	23	141	279
iii. Trade payables	24		
- Total outstanding dues of micro and small enterprises		164	108
- Total outstanding dues of Creditors other than Micro and Small Enterprises		6,622	10,500
iv. Other financial liabilities	25	30,600	23,129
(b) Provisions	26	232	309
(c) Other current liabilities	27	2,427	2,589
Total current liabilities		61,421	64,268
TOTAL EQUITY AND LIABILITIES		1,44,415	1,63,578

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

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As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants

Firm Registration No. 101248W/W-100022

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Kapil Goenka
Partner
Membership No: 118189

Mumbai
29 July 2021

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

Sandeep Gambhir
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Date: 2021.07.29 15:39:21 +05'30'

Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

VIVEK WADHERA
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Vivek Wadhera
CFO

RYOHEI SUZUKI
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Ryohei Suzuki
Director
(DIN - 08218888)

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Jay Gandhi
Company Secretary

ORIX Auto Infrastructure Services Limited

Standalone Financial Statement

Statement of profit and loss for the year ended 31 March 2021

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

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
I Revenue			
Revenue from operations	28	45,637	78,771
Other income	29	1,751	3,180
Total income		47,388	81,951
II Expenses			
Cost of materials consumed	30	1,230	1,297
Employee benefit expense	31	7,424	8,542
Finance cost	32	6,156	7,867
Depreciation and amortisation expense	33	22,403	24,940
Other expenses	34	14,352	38,760
Total expenses		51,565	81,406
III Profit / (Loss) before tax		(4,177)	545
IV Tax expenses			
Current tax		-	1,232
Deferred tax		(1,040)	1,270
Tax expenses relating to prior years		-	(16)
V Profit / (Loss) for the year		(3,137)	(1,941)
VI Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation		(196)	283
Income tax related to items that will not be reclassified to profit or loss		49	(71)
Other Comprehensive Income for the year		(147)	212
VII Total Comprehensive Income for the year		(2,990)	(2,153)
VIII Earnings per equity share (Face value ₹ 10 per share)	35		
(1) Basic		(2.34)	(1.68)
(2) Diluted		(2.34)	(1.68)

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

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Kapil Goenka

Partner

Membership No: 118189

Mumbai
29 July 2021

For and on behalf of the Board of Directors

ORIX Auto Infrastructure Services Limited

Sandeep
Gambhir

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Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

VIVEK
WADHERA

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Vivek Wadhera
CFO

RYOHEI
SUZUKI

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Ryohei Suzuki
Director
(DIN - 08218888)

GANDHI
JAY
NIRANJAN

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Jay Gandhi
Company Secretary

ORIX Auto Infrastructure Services Limited

Statement of Changes in Equity (SOCIE)

Standalone for the year ended 31 March 2021

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

(a) Equity share capital

	As at 31 March 2021	As at 31 March 2020
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	<u>12,800</u>	<u>12,800</u>

(b) Other equity

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Securities premium	General Reserve	Retained earnings		
Balance at 1 April, 2020	39,985	1,856	1,569	(673)	42,737
Loss for the year	-	-	(3,137)		(3,137)
Other comprehensive income for the year	-	-		147	147
Balance at 31 March, 2021	<u>39,985</u>	<u>1,856</u>	<u>(1,568)</u>	<u>(526)</u>	<u>39,748</u>

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
Profit for the year	-	-	(1,941)		(1,941)
Other comprehensive income for the year	-	-		(212)	(212)
Balance at 31 March, 2020	<u>39,985</u>	<u>1,856</u>	<u>1,569</u>	<u>(673)</u>	<u>42,737</u>

As per our report of even date attached.

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

KAPIL
VINODKUMAR
AR GOENKA

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KAPIL VINODKUMAR
GOENKA
Date: 2021.07.29
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Kapil Goenka

Partner

Membership No: 118189

Mumbai
29 July 2021

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

Digitally signed by
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Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

VIVEK
WADHERA

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Vivek Wadhera
CFO

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Ryohei Suzuki
Director
(DIN - 08218888)

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Jay Gandhi
Company Secretary

ORIX Auto Infrastructure Services Limited

Cash Flow Statement for the year ended 31 March 2021

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit / (Loss) before tax	(4,177)	545
Adjustments for:		
Depreciation and amortisation expense	22,121	24,642
Loss on sale of fixed assets	(536)	1,182
Finance costs	6,071	7,764
Interest on lease liability	85	103
Provision for expected credit losses	108	94
Bad debts written off	-	102
Sundry balances written off	31	1
Sundry balances written back	(130)	(620)
Operating profit before working capital changes	23,573	33,813
Adjustments for change in working capital:		
(Increase) / Decrease in inventory and repossessed assets	126	19
Decrease in trade receivable	7,638	1,311
(Increase) / Decrease in short term loan	54	(20)
(Increase) in other financial assets	(944)	(1,190)
(Increase) / Decrease in other assets	553	(3,146)
Increase / (Decrease) in provisions	(0)	424
(Decrease) in trade payables	(3,823)	(1,900)
Increase / (Decrease) in financial liabilities	3,032	(496)
Increase in other current liabilities	157	1,735
Increase in other non current liabilities	64	10
Net cash generated by operating activities before taxes	30,430	30,560
Less : taxes paid (net of refund)	(1,207)	(2,014)
Net cash generated by operating activities - A	29,223	28,546
Cash flow from investing activities		
Purchase of fixed assets	(21,251)	(32,252)
Proceeds from sale of fixed assets	12,359	12,621
Addition to right-of-use assets	308	232
Investment in Fixed Deposits	(313)	(5,098)
Redemption of fixed deposits	70	5,094
Net cash (used in)/generated by investing activities - B	(8,827)	(19,403)
Cash flow from financing activities		
Proceeds from Long term borrowing	12,500	12,000
Repayment of Long term borrowing	(21,448)	(35,159)
Proceeds from Short term borrowings	25,654	45,932
Repayment of Short term borrowing	(31,728)	(28,250)
(Repayment)/ Proceeds from Cash credit	-	(8,880)
Increase in Book overdraft	(45)	49
Increase in ECB Borrowing	-	15,000
(Decrease) in Lease Liability on principal component	(276)	(169)
(Decrease) in Lease liability Interest portion	(19)	(15)
Finance Cost	(6,071)	(7,764)
Net cash used in financing activities - C	(21,433)	(7,256)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(1,037)	1,887
Cash and cash equivalents as at the beginning of the year	2,451	564
Cash and cash equivalents as at the end of the year (Refer Note no. 10)	1,414	2,451

ORIX Auto Infrastructure Services Limited

Cash Flow Statement (Continued)

for the year ended 31 March 2021

(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 **BSR & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

KAPIL
VINODKUMAR
AR GOENKA

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KAPIL VINODKUMAR
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Kapil Goenka

Partner

Membership No: 118189

Mumbai
29 July 2021

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

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Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

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Vivek Wadhera
CFO

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Ryohei Suzuki
Director
(DIN - 08218888)

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Date:
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Jay Gandhi
Company Secretary

ORIX Auto Infrastructure Services Limited

Notes to the Separate Financial Statements (*Continued*)

for the year ended 31 March 2021

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

1. Company Overview and Significant Accounting policies

1.1 Company Overview

ORIX Auto Infrastructure Services Limited ("the Company"/ "O AIS") 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, basis of preparation and presentation of separate Financial

(a) Statement of compliance

These separate financial statements have been prepared in accordance with the Companies Indian Accounting Standards (referred to as "Ind AS") Rules, 2015 as prescribed under section 133 of the Companies Act, 2013 ("the Act") and relevant amendment rules issued from time to time.

These separate financial statements were approved by the Company's Board of Directors and authorised for issue on July 2021.

(b) Basis of preparation

These separate 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 separate 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.

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.

1.3 Standards Issued but not Effective Yet

As at 31 March 2021, there are no standards which are issued but not effective.

ORIX Auto Infrastructure Services Limited

Notes to the Separate Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.4 Use of estimates, judgements and assumptions

The preparation of the separate 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 separate 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 separate 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 separate financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the separate 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 separate 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
- Revenue recognition – mentioned separately in para 1.5

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

ORIX Auto Infrastructure Services Limited

Notes to the Separate Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.4 Use of estimates, judgements and assumptions (*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.

1.5 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):**

Income earned on vehicles rented is recognised as rental income from Rent a Car. Car rental income and service charges are recognized on completion of the services.

ORIX Auto Infrastructure Services Limited

Notes to the Separate Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.5 Revenue Recognition (*Continued*)

- **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 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.

- **Other income**

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

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.

ORIX Auto Infrastructure Services Limited

Notes to the Separate Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.5 Revenue Recognition (*Continued*)

- 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.

1.6 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 directly 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.

1.6.1 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
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
Motor cars under operating lease	5 years

ORIX Auto Infrastructure Services Limited

Notes to the Separate Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.6 Property, plant and equipment (*Continued*)

- 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.

1.7 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.

Intangible asset 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.

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

The useful life of the Intangible asset is the period over which the asset is expected to be available for the use to the Company:

Asset Type	Useful life
Computer software	6 years

1.8 Financial instruments

1.8.1 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.

1.8.2 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.

ORIX Auto Infrastructure Services Limited

Notes to the Separate Financial Statements (*Continued*)

for the year ended 31 March 2021

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

1. Company 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.

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 separate financial statements.

vi. Off setting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

ORIX Auto Infrastructure Services Limited

Notes to the Separate Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.8 Financial instruments (*Continued*)

b. Share Capital

Ordinary Shares

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

1.9 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.

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 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.

ORIX Auto Infrastructure Services Limited

Notes to the Separate Financial Statements (*Continued*)

for the year ended 31 March 2021

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

1. Company 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 Write off

Trade receivables are written off when the Company has no reasonable expectations of recovering the financial asset. This is the case when the Company determines that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

1.12 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.

ORIX Auto Infrastructure Services Limited

Notes to the Separate Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.13 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.

1.14 Leases

The determination of whether an arrangement is a lease, as defined under IND AS 116, is based on whether fulfilment 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.

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). For these short term and low value leases, the Company recognizes the lease payments as an operating expense.

1.15 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.

ORIX Auto Infrastructure Services Limited

Notes to the Separate Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.16 Retirement and other employee benefits:

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards unavailed leave, compensated absence and other terminal 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

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss.

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.

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 Other Comprehensive Income. 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.

ORIX Auto Infrastructure Services Limited

Notes to the Separate Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

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

ii. Post-Employment Benefits (*Continued*)

b. Define benefit plans (*Continued*)

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.

1.17 Taxation

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

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.

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the separate 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.

ORIX Auto Infrastructure Services Limited

Notes to the Separate Financial Statements *(Continued)*

for the year ended 31 March 2021

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

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

1.17 Taxation *(Continued)*

Deferred tax *(Continued)*

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.

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.

1.18 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.

1.19 Valuation of inventories:

Inventories comprising of stock of spare parts, accessories and vehicles retired from active use in business are initially recognised at cost.

At the end of each reporting period, the same 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.

ORIX Auto Infrastructure Services Limited

Notes to the Separate Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.20 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.

1.21 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.

1.22 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 2021

(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, 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
As At April 01, 2020	3,103	789	12	196	22,591	1,006	379	95,291	1,23,367
Additions	-	-	-	10	890	56	8	20,106	21,070
Transfers	-	-	-	-	-	-	-	(5,168)	(5,168)
Disposals	-	-	-	-	9,699	-	7	21,520	31,226
As at March 31, 2021	3,103	789	12	206	13,782	1,062	380	88,709	1,08,045
Accumulated Depreciation / amortisation :									
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
As At April 01, 2020	237	532	10	112	9,591	660	251	35,959	47,352
Additions	59	124	1	31	3,538	136	58	18,043	21,989
Transfers	-	-	-	-	-	-	-	(3,705)	(3,705)
Impairment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	6,705	-	7	14,153	20,865
As at March 31, 2021	296	655	11	143	6,424	796	302	36,143	44,771
Net carrying									
Net carrying amount as at March 31, 2020	2,866	258	2	84	12,999	345	128	59,333	76,015
Net carrying amount as at March 31, 2021	2,807	134	1	63	7,358	266	78	52,566	63,274

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

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

3 Intangible Assets

Particulars	Software	Total
Gross carrying amount :		
As At April 01, 2019	593	593
Additions	98	98
Transfers	-	-
Disposals	-	-
As at March 31, 2020	691	691
As At April 01, 2020	691	691
Additions	180	180
Transfers	-	-
Disposals	-	-
As at March 31, 2021	871	871
Accumulated Depreciation / amortisation :		
As At April 01, 2019	217	217
Additions	110	110
Transfers	-	-
Impairment	-	-
Disposals	-	-
As at March 31, 2020	327	327
As At April 01, 2020	327	327
Additions	132	132
Transfers	-	-
Impairment	-	-
Disposals	-	-
As at March 31, 2021	459	459
Net carrying		
Net carrying amount as at March 31, 2020	364	364
Net carrying amount as at March 31, 2021	412	412

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*

as at 31 March 2021

(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, 2019	1,561	1,561
Additions	65	65
Disposals	11	11
As at March 31, 2020	1,615	1,615
As At April 01, 2020	1,615	1,615
Additions	14	14
Disposals	118	118
As at March 31, 2021	1,511	1,511
Accumulated Depreciation / amortisation :		
As At April 01, 2019	290	290
Additions	298	298
Disposals	11	11
As at March 31, 2020	577	577
As At April 01, 2020	577	577
Additions	282	282
Disposals	78	78
As at March 31, 2021	781	781
Net carrying		
Net carrying amount as at March 31, 2020	1,038	1,038
Net carrying amount as at March 31, 2021	730	730

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*

as at 31 March 2021

(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 2021		As at 31 March 2020	
			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

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

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

Particulars	As at 31 March 2021	As at 31 March 2020
6 Other financial assets		
Security Deposits- Premises	56	179
Less: Expected credit loss allowance	(14)	(5)
	<u>42</u>	<u>174</u>
Security Deposits- Petrol and Sundry Deposits	159	224
Bank deposits with residual maturity of more than 12 months*	3	1
Out of pocket expenses recoverable	2,214	1,527
	<u>2,418</u>	<u>1,926</u>
Total	2,418	1,926
*The bank deposits have been kept as a security for registration with the VAT authorities of various states.		
7 Other non-current assets		
Balances with Government authorities- VAT Input Credit and TDS refund	1,677	1,667
Prepaid expenses	21	21
Advance Tax (net of provision for tax - ₹ 10,888 (Previous year ₹ 10,888))	3,670	2,463
	<u>5,368</u>	<u>4,151</u>
Total	5,368	4,151
8 Inventories		
Stores and spares	11	34
Retired Vehicles held for sale*	235	338
	<u>246</u>	<u>372</u>
Total	246	372
* The Company has created provision of ₹ 229 (Previous year ₹ 249) which is netted off against retired vehicles held for sale		
9 Trade receivables		
Receivables considered good secured	5,422	12,963
Less: Loss allowance for trade receivable	(25)	(65)
Receivables considered good unsecured	-	-
Less: Loss allowance for trade receivable	-	-
Receivables which have significant increase in credit risk	840	1,182
Less: Loss allowance for trade receivable	(3)	(13)
Receivable credit impaired	1,229	993
Less: Loss allowance for trade receivable	(487)	(338)
	<u>6,976</u>	<u>14,722</u>
Total	6,976	14,722
There are no debts due by directors or other officers of the Company.		
10 Cash and cash equivalents		
Cash and bank balances		
Balance with banks		
In current accounts	1,387	2,421
Cash on hand	27	30
	<u>1,414</u>	<u>2,451</u>
Total	1,414	2,451

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

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

Particulars	As at 31 March 2021	As at 31 March 2020
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*	319	77
TOTAL	319	77
* The bank deposits of ₹ 279 (Previous year ₹ 38) 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	3	57
Total	3	57
13 Other Current financial assets		
Non-Derivative asset		
Security Deposits- Premises	198	75
Security Deposits- Petrol and Sundry Deposits	10	12
Receivable on account of reimbursement	1,042	729
Out of pocket expenses recoverable	1,647	1,628
Less: Expected credit loss allowance	(0)	(0)
Total	2,897	2,444
14 Other current assets		
Advance towards lease and own assets	1,902	1,844
Advances other than Capital Advances		
Other Advances		
Advances to suppliers - considered good	1,976	1,756
Advances to suppliers - considered doubtful	225	225
Less: Allowance for doubtful advances to suppliers	(225)	(225)
Advance for expenses	539	339
Others		
Prepaid expenses	759	1,037
Balance with government authorities		
- GST input credit	4,508	5,352
Incentive receivable from dealers	142	93
Total	9,826	10,421

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

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

15 Share capital:

Particulars	As at 31 March 2021		As at 31 March 2020	
	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	12,79,96,498	12,800	12,79,96,498	12,800
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 2021		As at 31 March 2020	
	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 2021		As at 31 March 2020	
	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 :

- No shares have been reserved for issue under options
- No shares have been allotted pursuant to contract(s) without payment being received in cash

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

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

Particulars	As at 31 March 2021	As at 31 March 2020
16 Other equity		
Securities premium account	39,985	39,985
General reserve	1,856	1,856
Reserves and surplus	(1,567)	1,569
Other Comprehensive Income	(526)	(673)
Total	39,747	42,737
<p>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.</p> <p>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.</p> <p>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.</p> <p>iv) Actuarial gains and losses on defined benefit plans are recognized in other comprehensive income, net of taxes.</p>		
17 Long term borrowings		
Unsecured loan		
Term Loan		
- From Banks (Refer note no. 43)	13,510	26,801
- From Parent Company (ORIX Corpoartion-Japan)	15,000	15,000
Total	28,510	41,801
Notes		
<p>1. The Company borrows from various banks, in the form of term loan up to a period 5 years. As on March 31,2021 interest rate range was 5.82% p.a. to 9.15% p.a. (Previous year interest rate range was 7.69% p.a. to 9.50% p.a.)</p> <p>2. Term loan from Banks aggregating ₹ 28,414 (Previous year aggregating ₹ 41,687) is guaranteed by ORIX Corporation, Japan (Holding Company).</p>		
18 Lease liabilities		
Lease liabilities	744	901
Total	744	901
19 Other financial liabilities		
Non- derivative liabilities		
Security deposits from customers	46	57
Total	46	57
20 Long term provisions		
Provision for employee benefits		
Provision for employee's retirement benefits		
- Provision for compensated absences	282	275
- Provision for gratuity	153	91
Total	435	366
21 Other non-current liabilities		
Maintenance linked leases reserves of operating lease	712	648
Total	712	648

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

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

Particulars	As at 31 March 2021	As at 31 March 2020
22 Short term borrowings		
Secured		
Loans repayable on demand from banks		
- Working capital demand loan	600	-
Unsecured		
Loans repayable on demand from banks		
- Working capital demand loan	20,500	26,611
Book overdraft	125	170
Interest accrued but not due on borrowings	10	573
Total	21,235	27,354
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 4.60% p.a. to 10.65% p.a. (Previous year 6.75% p.a. to 8.30% p.a.)		
2. Working capital demand loan from Banks aggregating of ₹ 20,500 (Previous year ₹ 26,611) is guaranteed by ORIX Corporation, Japan (Holding Company)		
3. Working capital demand 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		
23 Lease liabilities		
Lease liabilities	141	279
Total	141	279
24 Trade payables		
Total outstanding dues of micro and small enterprises (Refer Note No 36.3)	164	108
Total outstanding dues of creditors other than micro and small enterprises	6,622	10,500
Total	6,786	10,608
25 Other financial liabilities		
Current maturities of long term debts-unsecured	24,322	19,978
Advance from customers	2,878	1,431
Payable to employees	981	788
Other Payables		
- Security Deposits for operating lease and self drive	158	186
- Provision for expenses	2,261	746
Total	30,600	23,129

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

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

Particulars	As at 31 March 2021	As at 31 March 2020
26 Short term Provisions		
Provision for employee benefits		
- Provision for Compensated absences	14	17
- Provision for Gratuity	218	292
Total	232	309
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)	2,025	2,044
- Net Insurance and maintenance reserves of operating lease	32	85
- Operating lease rentals due but not accrued	249	363
- Advance rental under self drive	45	65
- Salary and other payable	54	9
Total	2,428	2,589

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
28 Revenue from operations		
<u>Sale of products</u>		
Spares and Consumables	1,343	1,490
<u>Sale of services</u>		
Operating leases on vehicles	25,250	28,694
Car rentals	6,855	22,681
Car rental - self drive	1,364	2,090
Business transport solutions	7,668	21,081
Service centre revenue	145	295
Maintenance revenue	878	731
FMS revenue	1,249	888
<u>Other operating revenue</u>		
Income on pre termination of lease	23	182
Discount- business transport solutions vendors	113	357
Insurance commission	213	282
Profit on Sale of Vehicles	536	-
Total	45,637	78,771
29 Other income		
<u>Interest income on:</u>		
Bank deposits	5	19
Income tax refund	-	74
Loans and advances	85	97
Security Deposits-Premises	15	14
<u>Other Non-Operating Income</u>		
Bad debts recovered	-	50
Sundry balances written back	130	620
Management Fees	538	259
Rental income	134	134
Miscellaneous income	844	1,913
Total	1,751	3,180
30 Cost of material consumed		
<u>Spare Parts, Accessories</u>		
Inventory at the beginning of the year	29	19
Add: Purchases	1,207	1,307
Less: Inventory at the end of the year	(6)	(29)
Total	1,230	1,297
31 Employee benefit expenses		
Salaries and wages	6,676	7,462
Contribution to provident and other funds	564	649
Staff welfare expenses	184	431
Total	7,424	8,542

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(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 ₹ 51 (Previous year ₹ 49) for superannuation contribution 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 ₹ 321 (Previous year ₹ 423) 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, 2021. 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 2021	31 March 2020
	Gratuity Funded	
Defined benefit obligation	1,573	1,653
Fair value of plan assets	1,202	1,270
Net defined benefit (obligation)/assets	371	383
Non-current	153	91
Current	218	292

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 2021	31 March 2020
	Gratuity Funded	
Defined benefit obligation		
Opening balance	1,653	1,361
Included in profit or loss		
Current service cost	166	143
Past service cost		
Interest cost	113	103
	1,932	1,607
Included in OCI		
Remeasurement loss / (gain):		
Actuarial loss / (gain)	(47)	106
Demographic assumptions	-	-
Financial assumptions	-	-
Experience adjustment	-	-
Return on plan assets excluding interest income	-	-
	1,765	1,838

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(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 2021	31 March 2020
	Gratuity Funded	
Other		
Contributions paid by the employer	-	-
Benefits paid	(192)	(185)
Closing balance	<u>1,573</u>	<u>1,653</u>
Fair value of plan asset		
Opening balance	1,270	1,061
Included in profit or loss	-	-
Interest income	87	80
	<u>1,357</u>	<u>1,141</u>
Included in OCI		
Remeasurement gain (loss):	-	-
Actuarial gain (loss)	-	-
Demographic assumptions	-	-
Financial assumptions	-	-
Experience adjustment	-	-
Return on plan assets excluding interest income	29	(52)
	<u>1,386</u>	<u>1,089</u>
Other		
Contributions paid by the employer	8	366
Assets Transferred Out/ Divestments	-	-
Benefits paid	(192)	(185)
Closing balance	<u>1,202</u>	<u>1,270</u>
Represented by		
Net defined benefit asset	-	-
Net defined benefit liability	371	383
	<u>371</u>	<u>383</u>

C. Plan assets

Plan assets comprise the following :

	31 March 2021	31 March 2020
	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 2021	31 March 2020
Discount rate	7.02%	6.84%
Expected rate of return on plan assets	7.02%	6.84%
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.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(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	As at
	31 March 2021	31 March 2020
Opening Balance	383	301
Expenses Recognized in the Statement of Profit and Loss	192	165
Expenses Recognized in Other Comprehensive Income (OCI)	(196)	283
(Employer's Contribution)	(8)	(366)
Net liability / (Asset) recognised in the balance sheet	371	383

F. Expenses recognized in Statement of Profit and loss

	As at	As at
	31 March 2021	31 March 2020
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	166	143
Net Interest Cost	26	23
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	192	166

G. Expenses recognized in Other Comprehensive Income (OCI)

	As at	As at
	31 March 2021	31 March 2020
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/losses on Obligation for the year	(167)	231
Return on Plan Assets, Excluding Interest Income	(29)	52
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in Other Comprehensive Income (OCI)	(196)	283

H. Reconciliation of Other Comprehensive Income (OCI)

Gratuity	As at	As at
	31 March 2021	31 March 2020
Opening Balance	673	461
Acturial losses during the year	(147)	212
Balance end of the year	526	673

I. Other Details

	As at	As at
	31 March 2021	31 March 2020
Prescribed contribution for next years (12 months)	218	292

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

31 Employee benefit (Continued)

(ii) Defined Benefit Plan: (Continued)

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

	As at 31 March 2021	As at 31 March 2020
Projected benefits payable in future years from the date of reporting		
1st following Year	45	86
2nd following Year	43	44
3rd following Year	156	51
4th following Year	64	160
5th following Year	143	73
Sum of years 6 to 10	880	828

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 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
	Gratuity		Gratuity	
Discount rate (1% movement)	(113)	175	(149)	172
Future salary growth (1% movement)	174	(114)	170	(150)
Employee turnover rate (1% movement)	20	(22)	5	(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 2021 based on actuarial valuation using the projected accrued benefit method is ₹ 296 (Previous year 31 March 2020 ₹ 292).

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
32 Finance cost		
Interest expense on financial liabilities at amortised cost	5,598	7,347
Interest on lease liability (Refer note no. 39)	84	103
Other borrowing costs	474	417
Total	6,156	7,867
33 Depreciation and amortisation expense		
Depreciation on tangible fixed assets	21,989	24,532
Amortisation of right-of-use assets	282	298
Amortization on intangible fixed assets	132	110
Total	22,403	24,940
34 Other expenses		
Contract labour / chauffeurs payment	1,933	3,914
Service station labour charges	74	155
Car hire charges for Car rental	610	6,932
Vehicle hire charges for Business Transport Solution	4,644	15,833
Rent	189	207
Electricity	97	136
Travelling and conveyance	126	372
Communication expenses	222	310
Professional and legal fees	516	448
Vehicle running expenses	1,481	2,964
Repairs and maintenance :		
- Building	1	-
- Machinery	53	55
- Others	836	1,600
Insurance premium	1,342	1,547
Rates and taxes	421	435
Directors' sitting fees	8	7
Printing and stationery	22	88
Software maintenance expenses	343	381
Loss on sale of fixed assets (net)	-	1,181
Freight & forwarding charges	16	21
Provision for expected credit losses	108	94
Bad debts written off	-	102
Corporate Social Responsibility Expenditure (Refer note (i) below)	50	51
Payment to the auditor (Refer note (ii) below)	69	66
Miscellaneous expenses	1,191	1,862
Total	14,352	38,760

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
34 Other expenses (Continued)			
Notes :			
(i) Corporate Social Responsibility Expenditure (CSR) :			
1. Gross amount required to be spent by Company on CSR is ₹ 50 (Previous year ₹ 51) 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		50	51
Total		50	51
(ii) Payment to Auditors:			
Statutory Audit		66	64
Other services			
For Certification Work		3	2
Total		69	66
35 Earnings per equity share			
Profit after tax attributable to equity shareholders	(A)	(2,990)	(2,153)
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)	(2.34)	(1.68)
Face value per share (₹)		10	10

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

36

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

i) Claims against the Company not acknowledged as debts

Particulars	31 March 2021	31 March 2020
Income tax	649	649
Sales tax and Value added tax	5,785	4,870
Service tax	16,295	16,295
Litigation pending against the Company	74	55
Total	22,803	21,869

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Amount payable for Bank Guarantee fees (USD)	0	29	1	38
Amount payable for Bank Commitment Charges (USD)	0	1	0	1
Amount payable for Reimbursement of Salary (YEN)	124	82	119	83

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. The Company did not enter into any derivative transactions during the year.

36.3 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.

Particulars	As at	As at
	31 March 2021	31 March 2020
a) Principal amount due and remaining unpaid to suppliers as at the year end	164	86
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	-	-

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

36.5 Value zero represent amount less than fifty thousand.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

37 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) ORIX Housing financial Corporation India Limited	India India	100% 100%
3	Infrastructure Leasing and Financial Services Limited Fellow Associate	India	-
4	Key Management Personnel Mr. Sandeep Gambhir, Managing Director and Chief Executive Officer Mr. Vivek Wadhwa, Chief Financial Officer Mr. Harukazu Yamaguchi, Chairman and Director (upto 12 January 2021) Mr. Yoshiaki Matsuoka, Chairman and Director (from 04 November 2020 and Chairman w.e.f 12 January 2021) Mr. Kiyokazu Ishinabe, Director (upto 04 November 2020) Mr. Ikuo Nakamura, Director (upto 31 July 2020) Mr. Nagesh Dubey, Independent Director Mr. Abhay Kakkar, Independent Director Mr. Ryohei Suzuki, Whole Time Director Mr. Takashi Nakayama, Additional Director (from 04 November 2020) Mr. Takehiro Onishi, Additional Director (from 12 January 2021) Mr. Shin Hamada, Additional Director (from 31 March 2021) Ms. Meeta Sanghvi, Director		

B Transactions with Related Parties

Sr. No.	Particulars	Subsidiaries	Holding Company	Key management personnel	Fellow Associate
i.	Rent Income	134 (134)	- (-)	- (-)	- (-)
ii.	Management Fees income	538 (259)	- (-)	- (-)	- (-)
iii.	Interest Income on Inter company current account	69 (73)	- (-)	- (-)	- (-)
iv.	Software Cost	- (126)	- (-)	- (-)	- (-)
v.	Finance lease vehicles transfer	458 (-)	- (-)	- (-)	- (-)
vi.	Interest and other expenses	25 (45)	- (-)	- (-)	- (-)
vii.	Finance lease rental	92 (147)	- (-)	- (-)	- (-)
viii.	Finance lease addition	75 (275)	- (-)	- (-)	- (-)
ix.	Reimbursement of administrative expenses	5 (23)	- (-)	- (-)	- (-)
x.	ECB borrowing	- (-)	- (15,000)	- (-)	- (-)
xi.	Interest Expenses on ECB	- (-)	1,154 (569)	- (-)	- (-)
xii.	Bank Guarantee charges	- (-)	62 (83)	- (-)	- (-)
xiii.	Commitment charges	- (-)	3 (7)	- (-)	- (-)
xiv.	Reimbursement of salary	- (-)	82 (83)	- (-)	- (-)
xv.	Mr. Sandeep Gambhir, Managing Director and Chief Executive Officer	- (-)	- (-)	285 (280)	- (-)
xvi.	Mr. Vivek Wadhwa, Chief Financial Officer	- (-)	- (-)	199 (219)	- (-)
xvii.	Mr. Ryohei Suzuki, Whole Time Director	- (-)	- (-)	101 (85)	- (-)
xviii.	Mr. Abhay Kakkar, Independent Director	- (-)	- (-)	4 (4)	- (-)

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

xix. Mr. Nagesh Dubey, Independent Director	-	-	4	-
	(-)	(-)	(4)	(-)
xx. Expenses paid on behalf of OHFC	15	-	-	-
	(1)	(-)	(-)	(-)
xxi. Premises Deposits	-	-	-	-
	(-)	(-)	(-)	(20)
xxii. Expenses towards Rent and electricity	-	-	-	79
	(-)	(-)	(-)	(92)

Figures in brackets relate to previous year.

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

Sr. Particulars No.	Subsidiary	Holding Company	Key management personnel	Fellow Associate
Receivable				
Management Charges	344	-	-	-
	(93)	(-)	(-)	(-)
Rent Expense	34	-	-	-
	(48)	(-)	(-)	(-)
Cost reimbursement	1	-	-	-
	(10)	(-)	(-)	(-)
Advance receive for Software cost	-	-	-	-
	(84)	(-)	(-)	(-)
Interest Income	69	-	-	-
	(66)	(-)	(-)	(-)
Other receivable	594	-	-	-
	(427)	(-)	(-)	(-)
Payable				
Interest & other Expenses	-	30	-	-
	(-)	(39)	(-)	(-)
ECB borrowing	-	15,000	-	-
	(-)	(15,000)	(-)	(-)
Reimbursement of salary	-	82	-	-
	(-)	(83)	(-)	(-)
Payable towards lease assets	137	-	-	-
	(462)	(-)	(-)	(-)
Payable towards Director sitting fees				
Abhay Kakkar	-	-	1	-
	(-)	(-)	(1)	(-)
Nagesh Dubey	-	-	1	-
	(-)	(-)	(1)	(-)
Receivable towards premises deposit paid	-	-	-	20
	(-)	(-)	(-)	(20)
Payable towards rent & electricity Expenses	-	-	-	8
	(-)	(-)	(-)	(18)

Figures in brackets relate to previous year.

Orix Auto Infrastructure Services Ltd.

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(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 contingent rent is not considered as part of MLP as they are not reasonably measured at the commencement of the lease and recognised in profit and loss as income when received.

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 2021	As at 31 March 2020
Vehicles	25,250	28,694

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

	As at 31 March 2021	As at 31 March 2020
Less than one year	21,716	24,305
Between one and five years	24,458	28,395
Total	46,174	52,700

Finance Lease as Lessee:

The Company has entered into lease agreements for leasehold land and building, the land and building has been classified 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 building:

	As at 31 March 2021	As at 31 March 2020
Gross carrying amount	3,103	3,103
Addition	-	-
Net carrying amount	3,103	3,103
Opening Accumulated depreciation	237	178
Depreciation for the year	59	59
Net carrying amount	2,806	2,866

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

39 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 on the date of initial application.
- d) 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.
- e) As a result of ongoing pandemic, during the year 2020-21, the lessor and the Company mutually agreed concession in rental for premises. There is a reduction in lease payments due to rent concession. As these concessions are short term, the change in lease payments of INR 74 is credited to profit and loss account.
The company has applied the practical expedient to all rent concessions as these concession meet the conditions of practical expedient.

IND AS 116 disclosure

Particular	As at	As at
	31 March 2021	31 March 2020
Depreciation charge of ROU	282	298
Interest expenses on lease liability	84	103
Expenses for short term leases	160	182
Expenses for low value leases	-	-
Cash outflow of leases during the year	279	353
additions to ROU during the year	14	65
Carrying amount of ROU	730	1,038
Maturity analysis of undiscounted lease cash flows		
Less than 6 months	114	180
6-12 months	92	184
1-2 years	186	219
2-5 years	423	477
More than 5 years	332	468
Total	1,147	1,528

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2021

(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 2021 or 31st March 2020.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued) for the year ended 31 March 2021

(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, 2021	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Financial Assets measured at Amortised Cost					
Security Deposits	410		410		410
Other non current financial assets	3		3		3
Trade receivables	6,976		6,976		6,976
Other receivables	4,903		4,903		4,903
Cash and cash equivalents	1,414	1,414			1,414
Bank balances other than above	319	319			319
Loans					
Loans - Employees	3		3		3
	<u>14,028</u>	<u>1,733</u>	<u>12,295</u>	<u>-</u>	<u>14,028</u>
Financial liabilities					
Term loans from Banks	37,832		37,785		37,785
Term loan from Parent Company (ORIX Corporation-Japan)	15,000		14,792		14,792
Security deposits from customers	204		204		204
Lease liabilities	885		885		885
- WORKING capital Demand Loan-Secured	600		600		600
Working capital Demand Loan-unsecured	20,500		20,500		20,500
- Overdraft Facility From Bank	-		-		-
Interest accrued but not due on borrowings	10		10		10
Advance from customers	2,878		2,878		2,878
Payable to Employees	981		981		981
Book Overdraft	125		125		125
Provision for expenses	2,261		2,261		2,261
Trade and other payables	6,786		6,786		6,786
	<u>88,062</u>	<u>-</u>	<u>87,807</u>	<u>-</u>	<u>87,807</u>

March 31, 2020	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
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
	<u>21,676</u>	<u>2,527</u>	<u>19,149</u>	<u>-</u>	<u>21,676</u>
Financial liabilities					
Term Loans	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
Working capital Demand Loan-unsecured	26,611		26,611		26,611
Interest accrued but not due on borrowings	573		573		573
Advance from customers	1,431		1,431		1,431
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
	<u>1,04,129</u>	<u>-</u>	<u>1,03,883</u>	<u>-</u>	<u>1,03,883</u>

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

41 (Continued)

1. 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 accordance 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.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(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.

	31 March 2021	31 March 2020
Interest bearing financial liabilities		
Fixed rate borrowings		
Term Loan from Banks	7,500	1,250
Term loan from Parent Company (ORIX Corporation-Japan)	15,000	15,000
Lease liabilities	885	1,180
Security Deposits	204	243
Total	23,589	17,673
Variable rate borrowings		
Term Loan from Banks	30,332	45,530
Working capital Demand Loan	21,100	26,611
Book Overdraft	125	170
Total	51,557	72,311

	31 March 2021	31 March 2020
Interest bearing financial assets		
Fixed Rate		
Bank Deposits	322	78
Loan to Employees	3	57
Security Deposits	410	485
Total	735	620
Variable Rate		
Receivable on account of cost recoveries	1,042	729
Total	1,042	729

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(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 2021		
Variable-rate instruments	(505)	505
Cash flow sensitivity (net)	(505)	505
31 March 2020		
Variable-rate instruments	(716)	716
Cash flow sensitivity (net)	(716)	716

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.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(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 collateral value (security deposit), and the past credit history of customer.

Below table provides the value of collateral held against credit impaired outstanding:

31 March 2021	Maximum exposure to credit risk	Security deposit	Net Exposure
Operating Lease	2,407	1	2,406

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	Operating Lease	Days past due		Others
		* Car Rental	* Business Transport Solution	
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 had resulted in a significant decrease in economic activity globally as well as across our country. After the onset of the Covid pandemic in 2020 and subsequent lockdown of the economy, there was a calibrated opening up of the economy till February'21. However, there was the onset of the second wave and the economy was under lockdown again since the end of fiscal year 2020-21 and beginning of 2021-22. The Indian economy is now again opening up in a calibrated way, and is projected to bounce back from a low base after a contraction in 2020. 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 which are highly uncertain. Based on detailed evaluation, as at 31 March 2021, the Company has made adequate provision for credit losses against the potential impact of COVID -19 on trade receivables. The final impact of the global health pandemic is 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.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

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 probabilities 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 - 31 March, 2021	Probability assigned		
	Operating Lease	Car Rental	Business Transport Solution
Best Case	21.20%	21.20%	21.20%
Base Case	68.20%	48.40%	68.20%
Worst Case	10.60%	30.40%	10.60%

ECL Scenario - 31 March, 2020	Probability assigned		
	Operating Lease	Car Rental	Business Transport Solution
Best Case	21.20%	21.20%	21.20%
Base Case	68.20%	48.40%	68.20%
Worst Case	10.60%	30.40%	10.60%

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 collectibility of receivables, receivables are written off in the statement of profit and loss.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

ii. Credit risk (Continued)

b. Amounts arising from ECL (Continued)

ii Exposure at default and Loss allowance

Exposure at default

31 March 2021	OL	RAC	Business Transport Solution	Others	Total
Stage 1	1,400	1,821	2,040	4,288	9,548
Stage 2	649	90	7	94	839
Stage 3	359	413	333	123	1,229
Total	2,408	2,324	2,380	4,505	11,616
Loss Allowance	37	225	165	103	529

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

Loss allowance

The movement in the allowance for impairment in respect of trade and other receivable during the year was as follows:

	As at 31 March 2021	As at 31 March 2020
Operating Lease		
Balance as the beginning of the year	46	20
Impairment loss recognised (net)	(9)	26
Balance as at the year end	37	46
RAC		
Balance as the beginning of the year	158	149
Impairment loss recognised (net)	67	9
Balance as at the year end	225	158
BTS		
Balance as the beginning of the year	135	85
Impairment loss recognised (net)	30	50
Balance as at the year end	165	135
Others		
Balance as the beginning of the year	83	74
Impairment loss recognised (net)	20	9
Balance as at the year end	103	83
Total Loss allowance	530	421

There is no material concentration of loss allowance at any particular geographic area.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(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, 2021	Carrying amount	Total	Less than 6 months	Contractual cash flows			
				6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets							
Security Deposits	409	410	166	28	5	169	42
Other non current financial assets	3	3	3				
Trade receivables	6,976	6,976	6,976				
Other receivables	4,903	4,903	2,206	763	1,015	918	-
Cash and cash equivalents	1,414	1,414	1,414				
Bank balances other than above	319	319	319				
Loans							
Loans & Advances - Employees	3	3	3				
Total :	14,027						

March 31, 2021	Carrying amount	Total	Less than 6 months	Contractual cash flows			
				6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Term loans from banks	38,814	44,186	19,414	7,716	10,023	7,033	-
Term loan from Parent Company (ORIX Corporation-Japan)	15,000	15,000	-	-	-	15,000	-
Advance from customers	2,878	2,878	2,878				
Security Deposits- Non Current	204	204	152	7	7	39	-
Lease liabilities	885	885	80	61	130	311	302
- WORKING capital Demand Loan-Secured	600	600	600				
Working capital loans from banks	20,500	20,500	20,500				
- Overdraft Facility From Bank	-	-	-				
Book Overdraft	125	125	125				
Interest accrued but not due on borrowings	10	10	10				
Provision for expenses	2,261	2,261	2,261				
Trade payables	6,785	6,785	6,785				
Total :	88,062						

March 31, 2020	Carrying amount	Total	Less than 6 months	Contractual cash flows			
				6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets							
Security Deposits	485	485	59	26	138	236	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 & Advances - Employees	57	57	57				
Total :	21,676						

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

41 Financial instruments – Fair values and risk management (Continued)

iii. Liquidity risk (Continued)

March 31, 2020	Carrying amount	Total	Less than 6 months	Contractual cash flows			
				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 Corporation-Japan)	15,000	15,000	-	-	-	15,000	-
Advance from customers	1,431	1,431	1,431				
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 :	<u>1,04,128</u>						

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to the financial liabilities.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2021

(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, 2021

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)* for the year ended 31 March 2021

(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 2021	As at 31 March 2020
Non-Current Borrowings	28,510	41,801
Current Borrowings	21,235	27,354
Current maturity of long term debt	24,322	19,978
Gross Debt	74,067	89,133
Less - Cash and Cash Equivalents	(1,414)	(2,451)
Adjusted Net debt	72,653	86,682
Total equity	52,547	55,537
Adjusted Net debt to adjusted equity ratio	1.38	1.56

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

43 Repayment schedule of long term borrowing :

Loan as on 31 March 2021 are repayable as stated blow

	Interest Rate	1-2 years	2-3 years	3-5 years	Total
Floating					
Monthly	7.65% - 9.15%	2,604	-	-	2,604
Quarterly	7.40% - 8.15%	3,845	1,339	-	5,184
Fixed					
Monthly	6.30%	1,875	1,875	1,875	5,625
Bullet Payment	7.69%	-	-	15,000	15,000
Total		8,324	3,214	16,875	28,413

Loan as on 31 March 2020 are repayable 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	0.0769	-	-	15,000	15,000
Total		11,041	15,021	15,625	41,687

Note : Processing fees of ₹ -2 (Previous year ₹ -7) and Interest payable on term loan of ₹ 98 (Previous year ₹ 121) not included in above table.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(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, 2020	Recognised in profit or loss	Recognised in OCI	31 March 2021		Deferred tax liability
				Net	Deferred tax asset	
Deferred tax asset						
Depreciation	6,339	570		6,909	6,909	-
Provisions	292	50		342	342	-
Expected Credit Losses	146	27		173	173	-
Maintenance linked Reserves (MLL)	184	3		187	187	-
Carry forward loss		318		318	318	-
Ind AS Adjustments						
Lease rental Straightlining	0	(85)		(85)	-	(85)
Effective interest rate on Borrowings	0			0	0	-
Employee benefits P&L	(121)	49		(72)	-	(72)
Employee benefits OCI	121		(49)	72	72	-
Discounting of security deposits paid for premises	2	(3)		(1)	-	(1)
Inventory Revaluation for retired vehicles	1	19		20	20	-
Right-of-use assets	171	71		242	242	-
Others	0	21		21	21	-
Tax assets (Liabilities)	7,135	1,040	(49)	8,126	8,284	(158)
Net tax assets	7,135	1,040	(49)	8,126	8,284	(158)

(b) Movement in deferred tax balances

	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	31 March 2020		Deferred tax liability
				Net	Deferred tax asset	
Deferred tax asset						
Depreciation	7,446	(1,106)		6,339	6,339	-
Provisions	427	(135)		292	292	-
Expected Credit Losses	116	29		146	146	-
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)		2	2	-
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)

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, 2021 and March 31, 2020 is 25.17%

During the previous year under Income tax, 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 Income Tax Act. Company has opted for first option i.e. 25.17% without claiming any deductions and exemptions.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(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, 2021	For the year ended March 31, 2020
Current tax		
Current period (a)	-	1,232
Changes in estimate related to prior years (b)	-	(16)
Deferred income tax liability / (asset), net		
Increase in deferred tax assets	(968)	1,340
Increase in deferred tax assets due to Ind AS Adjustments	(72)	(70)
Deferred tax expense (c)	(1,040)	1,270
Tax expense for the year (a)+(b)+(c)	(1,040)	2,486
(b) Amounts recognised in other comprehensive income		
	Tax (expense) benefit	Tax (expense) benefit
	INR	INR
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	49	(71)
	49	(71)
(c) Reconciliation of effective tax rate		
	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
	INR	INR
Profit before tax	(4,177)	545
Tax using the Company's domestic tax rate	(1,051)	137
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Difference in Tax Rate	-	2,332
ECB Loan Mark-to-Market		
Corporate Social Responsibility Expenditure	13	13
Difference in Fixed Assets	(2)	5
Others		14
Change in opening deferred tax-ROU Assets		
Impact on Profit due to IND AS impact of ROU		
Rectification of error in Bonus		
Permanent difference GST/ Sales Tax Penalty, Interest on TDS		
Actuarial Gains and Losses posted through OCI	49	(71)
Current tax expenses relating to prior years	-	(16)
	(991)	2,414

The applicable Indian corporate statutory tax rate for the year ended March 31, 2021 and March 31, 2020 is 25.168%. 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 2021. 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 previous year Statement of profit and loss.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

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

45 Change in liabilities arising from financing activities

Particulars	01 April 2020	Cash Flows	31 March 2021
Long term borrowing	46,780	(8,948)	37,832
Short term borrowing	27,184	(6,074)	21,110
Cash credit & overdraft facility from bank	-	-	-
Book overdraft	169	(45)	124
ECB Borrowing	15,000	-	15,000
Lease Liability on principal component	1,077	(276)	800
Lease liability Interest portion	103	(19)	84
Finance cost	-	(6,071)	(6,071)
Total	90,313	(21,433)	68,880

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 & overdraft facility from bank	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

46 Previous year numbers are regrouped / reclassified to confirm to current year's presentation.

As per our report of even date attached.

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

KAPIL
VINODKUMAR
AR GOENKA

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GOENKA
Date: 2021.07.29
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Kapil Goenka

Partner

Membership No: 118189

Mumbai

29 July 2021

For and on behalf of the Board of Directors

ORIX Auto Infrastructure Services Limited

Sandeep
Gambhir

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Gambhir
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Services Ltd., ou=ORIX Auto
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Sandeep Gambhir

Managing Director & CEO

(DIN - 00083116)

VIVEK
WADHERA

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st=Delhi,
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9f9aa549c0815b669d61022e964ec32c4,
pseudonym=A10BA7C0FE898166598422A
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Vivek Wadhera

CFO

RYOHEI
SUZUKI

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Ryohei Suzuki

Director

(DIN - 08218888)

GANDHI
JAY
NIRANJAN

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Jay Gandhi

Company Secretary

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

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Independent Auditors' Report

To the Members of ORIX Auto Infrastructure Services Limited

Report on the Audit of the 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 2021, 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 consolidated notes to the consolidated financial statements, including a summary of the 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 ("the 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 Group as at 31 March 2021, profit 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 Consolidated Financial Statements* section of our report. We are independent of the Group 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 Consolidated 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 consolidated financial statements.

Emphasis of matter

As more fully described in Note 42(ii) to the Consolidated financial statement, the extent to which the COVID-19 pandemic will have impact on the Group's financial performance is dependent on future developments, which are highly uncertain.

Registered Office:

Independent Auditors' Report (*Continued*)

ORIX Auto Infrastructure Services Limited

Emphasis of matter (*Continued*)

As more fully described in Note 42(ii) to the consolidated financial statements, the Group has restructured borrower accounts in accordance with the Resolution Framework for COVID-19 related stress announced by the RBI vide notification dated 6 August 2020. Based on the terms of restructuring and management's credit evaluation, the Company's has continued to classify such restructured borrower accounts as non-impaired (i.e. Stage 1 and 2 under Ind AS 109, Financial Instruments), at the year-end.

Our opinion is not modified in respect of 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 Consolidated Financial Statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether 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, 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 Consolidated Financial Statements

The Holding 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 Consolidated Financial Statements that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated 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 of the assets of each 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 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.

Independent Auditors' Report (*Continued*)

ORIX Auto Infrastructure Services Limited

Management's and Board of Directors' Responsibility for the Consolidated Financial Statements (*Continued*)

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 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.

Auditor's Responsibilities for the audit of the Consolidated financial statements

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

As 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 whether the Group has adequate internal financial controls with reference to Consolidated 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 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 Group'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 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.

Independent Auditors' Report (*Continued*)

ORIX Auto Infrastructure Services Limited

Auditor's Responsibilities for the audit of the e Consolidated Financial Statements (*Continued*)

- 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 us 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.

Report on Other Legal and Regulatory Requirements

(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 Group so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid 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 Holding Company as on 31 March 2021 and taken on record by the Board of Directors of 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 2021 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 Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

Independent Auditors' Report (*Continued*)

ORIX Auto Infrastructure Services Limited

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

- (B) With respect to the other matters to be included in the Auditors' 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 Statement has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its Consolidated Financial Statements- Refer Note 36.1 to the Consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
 - 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 these Consolidated Financial Statements since they do not pertain to the financial year ended 31 March 2021.

- (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 and based on the reports of the statutory auditors of such subsidiary companies operations incorporated in India, the remuneration paid to its directors during the current year by the Holding Company is in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act and the remuneration paid to its directors by its subsidiary companies is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the 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

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Kapil Goenka

Partner

Membership No: 118189

ICAI UDIN:21118189AAAAOO5677

Mumbai
29 July 2021

Annexure A to the Independent Auditors' report on the Consolidated Financial Statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2021.

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 A(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 2021, 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 2021, 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 based on the internal financial controls with reference to Consolidated 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 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 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 Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements, whether due to fraud or error.

Annexure A to the Independent Auditors' report on the Consolidated Financial Statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2021 (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 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 Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Consolidated 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 Consolidated 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 Consolidated 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

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Kapil Goenka

Partner

Membership No: 118189

ICAI UDIN: 21118189AAAAOO5677

Mumbai
29 July 2021

ORIX Auto Infrastructure Services Limited

Consolidated Balance sheet as at 31 March 2021

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

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current Assets			
Property, plant and equipment	2	64,985	78,445
Intangible assets	3	615	430
Right-of-use assets	4	862	1,346
Financial assets			
i. Loans	5	1,76,326	1,97,584
ii. Other financial assets	6	4,737	3,602
Deferred tax assets	45	14,790	12,596
Other non-current assets	7	6,473	5,849
Total non-current assets		2,68,788	2,99,852
Current Assets			
Inventories	8	337	392
Financial Assets			
i. Trade receivables	9	8,169	15,382
ii. Cash and cash equivalents	10	6,393	8,381
iii. Bank balances other than (ii) above	11	406	77
iv. Loans	12	43,245	46,701
v. Other financial assets	13	3,557	3,271
Other current assets	14	15,177	15,069
Total current assets		77,284	89,273
TOTAL ASSETS		3,46,072	3,89,125
EQUITY AND LIABILITIES			
Equity share capital	15	12,800	12,800
Other equity	16	61,393	59,536
Total Equity		74,193	72,336
Non-current financial liability			
i. Borrowings	17	1,35,541	1,53,022
ii. Lease liabilities	18	847	1,101
iii. Other financial liabilities	19	974	999
Provisions	20	590	496
Other non-current liabilities	21	1,054	973
Total non-current liabilities		1,39,006	1,56,591
Current financial liabilities			
i. Borrowings	22	34,266	49,559
ii. Lease liabilities	23	193	426
iii. Trade payables	24		
- Total outstanding dues of Micro and Small Enterprises		167	119
- Total outstanding dues of Creditors other than Micro and Small Enterprises		9,253	12,138
iv. Other financial liabilities	25	85,658	94,807
Provisions	26	339	337
Other current liabilities	27	2,997	2,812
Total current liabilities		1,32,873	1,60,198
TOTAL EQUITY AND LIABILITIES		3,46,072	3,89,125

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

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Kapil Goenka
Partner
Membership No: 118189

Mumbai
29 July 2021

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

Sandeep Gambhir
Digitally signed by Sandeep Gambhir
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Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

VIVEK WADHERA
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Vivek Wadhera
CFO

RYOHEI SUZUKI
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Ryohei Suzuki
Director
(DIN - 08218888)

GANDHI JAY NIRANJAN
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Date: 2021.07.29 15:24:00 +05'30'

Jay Gandhi
Company Secretary

ORIX Auto Infrastructure Services Limited

Consolidated Statement of Profit and Loss For the Year ended 31 March 2021

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

	Note	Year ended 31 March 2021	Year ended 31 March 2020
I Revenue			
Revenue from operations	28	77,640	1,11,781
Other income	29	2,969	4,594
Total income		80,609	1,16,375
II Expenses			
Cost of materials consumed	30	1,230	1,297
Employee benefit expenses	31	10,785	11,942
Finance cost	32	20,852	25,766
Depreciation, amortisation and impairment	33	23,351	25,866
Other expenses	34	21,979	43,248
Total expenses		78,197	1,08,119
III Profit before tax		2,412	8,256
IV Tax expenses			
Current tax		2,947	3,583
Current tax expenses relating to prior years		-	2
Deferred tax		(2,243)	2,880
V Profit for the year		1,708	1,791
VI Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation		200	(307)
Income tax related to items that will not be reclassified to profit or loss		(48)	77
VII Others Comprehensive income for the year		152	(230)
VIII Profit is attributable to:			
Owners of the Group		1,708	1,791
IX Other comprehensive income is attributable to:			
Owners of the Group		152	(230)
X Total comprehensive income is attributable to:			
Owners of the Group		1,860	1,561
XI Total comprehensive income attributable to owners of the group arises from:			
Continuing operations		1,860	1,561
XII Earnings per equity share (Face value ` 10 per share)	35		
(1) Basic		1.45	1.22
(2) Diluted		1.45	1.22

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

**KAPIL
VINODKUMAR
R GOENKA**

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KAPIL VINODKUMAR
GOENKA
Date: 2021.07.29
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Kapil Goenka

Partner

Membership No: 118189

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

**Sandeep
Gambhir**

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Services Ltd., ou=ORIX Auto
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Sandeep Gambhir

Managing Director & CEO

(DIN - 00083116)

**RYOHEI
SUZUKI**

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Ryohei Suzuki

Director

(DIN - 08218888)

**VIVEK
WADHERA**

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Vivek Wadhera

CFO

**GANDHI
JAY
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Jay Gandhi

Company Secretary

Mumbai
29 July 2021

ORIX Auto Infrastructure Services Limited

Consolidated Statement of Changes in Equity (SOCIE)
(All amounts are in INR Lakhs, except as stated)

Note (a) : Equity share capital

	As at 31 March 2021	As at 31 March 2020
	Amount	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, 2020	39,985	1,856	14,951	3,527	(783)	59,536
Profit for the year			1,706			1,706
Remeasurements of net defined benefit liability / equity			(952)		152	152
Transfer to Statutory Reserve				952		-
Balance at 31 March, 2021	39,985	1,856	15,705	4,479	(631)	61,394

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			(731)		(230)	(230)
Transfer to Statutory Reserve				731		-
Balance at 31 March, 2020	39,985	1,856	14,951	3,527	(783)	59,536

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

KAPIL VINODKUMAR GOENKA
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Kapil Goenka
Partner
Membership No: 118189

Mumbai
29 July 2021

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Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

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Vivek Wadhera
CFO

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

RYOHEI SUZUKI
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Ryohei Suzuki
Director
(DIN - 08218888)

GANDHI JAY NIRANJAN
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Jay Gandhi
Company Secretary

Orix Auto Infrastructure Services Limited

Consolidated Statement of cash Flow for the year ended 31 March 2021

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit before tax	2,411	8,254
Adjustments for:		
Depreciation, amortisation and impairment	23,069	25,569
Prodit/(Loss) on sale of fixed assets	(540)	1,183
Finance costs	6,071	7,764
Interest income on fixed deposits	(116)	(132)
Interest on lease liability	84	103
Expected credit loss allowances	4,099	1,778
Bad debts written off	-	200
Sundry balances written back	(157)	(838)
Operating profit before working capital changes	34,921	43,881
Adjustments for change in working capital:		
Decrease in inventory	54	54
Decrease in trade receivable	7,638	1,310
Decrease in loan and advances	24,507	8,278
(Increase) in other assets	(1,991)	(4,091)
Increase in trade payables	(3,147)	(2,598)
Increase / (Decrease) in other liabilities & provisions	868	(20,089)
(Increase) in Interest accrued but not due on borrowings	(614)	(1,474)
Net cash from operating activities before taxes	62,236	25,271
Less : taxes paid (net of refund)	(3,366)	(4,749)
Cash flows generated from operating activities - A	58,870	20,522
Cash flow from investing activities		
Purchase of fixed assets	(21,767)	(32,642)
Proceeds from sale of fixed assets	12,690	12,717
Addition to Right-of-use assets	308	232
Investment in fixed deposits	(461)	(13,492)
Redemption in fixed deposits	213	15,505
Interest on fixed deposits	95	156
Cash flows used in investing activities - B	(8,922)	(17,524)

Orix Auto Infrastructure Services Limited

Cash flow statement (Continued)

for the year ended 31 March 2021

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

Cash flow from financing activities

Proceeds from long term borrowing	62,535	97,027
Repayment of long term borrowing	(93,193)	(1,20,609)
Proceeds from short term borrowings	77,478	3,72,240
Repayment of short term borrowing	(92,152)	(3,43,357)
Repayment of cash credit / book overdraft	(44)	(8,831)
Increase in ECB Borrowing	-	15,000
Interest Paid	(6,071)	(7,764)
(Decrease) in lease liability on principal component	(435)	(270)
(Decrease) in lease liability interest portion	(53)	(19)
Cash flows generated from financing activities - C	(51,935)	3,417
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	(1,987)	6,416
Cash and cash equivalents as at the beginning of the year	8,380	1,965
Cash and cash equivalents as at the end of the year (Refer note no.10)	6,393	8,381

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**KAPIL
VINODKUMAR
R GOENKA**

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KAPIL VINODKUMAR
GOENKA
Date: 2021.07.29
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Kapil Goenka

Partner

Membership No: 118189

Mumbai
29 July 2021

For and on behalf of the Board of Directors of

ORIX Auto Infrastructure Services Limited

**Sandeep
Gambhir**

Digitally signed by
Sandeep Gambhir
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Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

**RYOHEI
SUZUKI**

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Ryohei Suzuki
Director
(DIN - 08218888)

**VIVEK
WADHERA**

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Vivek Wadhera
CFO

**GANDHI
JAY
NIRANJAN**

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NIRANJAN
Date:
2021.07.29
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Jay Gandhi
Company Secretary

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements (*Continued*)

for the year ended 31 March 2021

(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, basis of preparation & presentation of consolidated Financial

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Companies Indian Accounting Standards (referred to as "Ind AS") Rules, 2015 as prescribed under section 133 of the Companies Act, 2013 ("the Act") and relevant amendment rules issued from time to time.

These consolidated financial statements were approved by the Company's Board of Directors and authorised for issue on July 2021.

(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.

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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.

1.3 Standards Issued but not Effective Yet

As at 31 March 2021, there are no standards which are issued but not effective.

1.4 Use of estimates, judgements and assumptions

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
- Revenue recognition – mentioned separately in para 1.5

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.4 Use of estimates (*Continued*)

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.

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.

1.5 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.

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.5 Revenue Recognition (*Continued*)

- 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.

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):**

Income earned on vehicles rented is recognised as rental income from Rent a Car. 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.

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.5 Revenue Recognition (*Continued*)

- **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.

- **Other income**

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

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.

1.6 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.

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

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

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

1.6 Property, plant and equipment *(Continued)*

- 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 (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.

1.6.1 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.

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

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

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

1.7 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.

Intangible asset 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.

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.

The useful life of the Intangible asset is the period over which the asset is expected to be available for the use to the Company:

Asset Type	Useful life
Computer software	6 years

1.8 Basis of Consolidation

1.8.1 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.

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.

1.8.2 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.

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.8 Basis of Consolidation (*Continued*)

1.8.3 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.

1.8.4 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.

1.9 Financial instruments

1.9.1 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.

1.9.2 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.

1.9.3 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.

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

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

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

1.9 Financial instruments *(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 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.

v. Off setting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

b. Share Capital

Ordinary Shares

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

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

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

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

1.10 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)

1.11 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.

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.11 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.

1.12 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.

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.13 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.

1.14 Leases

The determination of whether an arrangement is a lease, as defined under IND AS 116, is based on whether fulfilment 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.

1.15 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.

1.16 Retirement and other employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards unavailed leave, compensated absence and other terminal benefits

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.16 Retirement and other employee benefits (*Continued*)

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

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss.

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.

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

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

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.

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.

1.17 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.

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

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.

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.17 Taxation (*Continued*)

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 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.

1.18 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.

ORIX Auto Infrastructure Services Limited

Notes to the Consolidated Financial Statements (*Continued*)

for the year ended 31 March 2021

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

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

1.19 Valuation of inventories:

Inventories comprising of stock of spare parts, accessories and vehicles retired from active use in business are initially recognised at cost.

At the end of each reporting period, the same 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.

1.20 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.

1.21 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 to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

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

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

1.23 Commitments

Sanction and disbursement is a continuous activity. There may be few advances which are sanctioned during the year however not disbursed / delivered are disclosed as commitments.

ORIX Auto Infrastructure Services Limited

Notes forming part of Consolidated financial statements (Continued)

as at 31 March 2021

(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, 2019	3,110	835	12	248	19,066	913	390	1,01,362	1,25,936
Additions	-	31	0	26	6,228	244	41	27,406	33,975
Transfers	-	-	-	-	36	-	-	(827)	(791)
Disposals	-	-	-	17	2,454	2	0	29,206	31,679
As at March 31, 2020	3,110	866	13	256	22,876	1,155	431	98,735	1,27,442
As At April 01, 2020	3,110	866	13	256	22,876	1,155	431	98,735	1,27,442
Additions	-	-	-	15	981	59	10	20,299	21,364
Transfers	-	-	-	-	-	-	-	(5,168)	(5,168)
Disposals	-	-	-	4	9,756	-	7	21,888	31,655
As at March 31, 2021	3,110	866	12	268	14,101	1,214	433	91,978	1,11,983
Accumulated Depreciation / amortization and impairment :									
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	20,636	25,268
Transfers	-	-	-	-	20	-	-	(551)	(530)
Disposals	-	-	-	11	1,902	1	0	16,127	18,040
As at March 31, 2020	240	570	10	139	9,732	773	281	37,251	48,996
As At April 01, 2020	240	570	10	139	9,732	773	281	37,251	48,996
Additions	60	136	1	42	3,614	156	67	18,662	22,738
Transfers	-	-	-	-	-	-	-	(3,705)	(3,705)
Impairment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	3	6,748	-	7	14,273	21,031
As at March 31, 2021	300	706	11	178	6,597	930	341	37,935	46,998
Net carrying									
Net carrying amount as at March 31, 2020	2,870	296	3	117	13,144	382	150	61,484	78,445
Net carrying amount as at March 31, 2021	2,810	160	2	90	7,504	284	92	54,044	64,985

ORIX Auto Infrastructure Services Limited

Notes forming part of Consolidated financial statements (Continued)

as at 31 March 2021

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

3. Intangible Assets

Particulars	Software	Total
Gross carrying amount :		
As At April 01, 2019	829	829
Additions	98	98
As at March 31, 2020	927	927
As At April 01, 2020	927	927
Additions	387	387
As at March 31, 2021	1,314	1,314
Accumulated Depreciation / amortization and impairment :		
As At April 01, 2019	341	341
Additions	155	155
As at March 31, 2020	496	496
As At April 01, 2020	496	496
Additions	203	203
As at March 31, 2021	699	699
Net carrying		
Net carrying amount as at March 31, 2020	430	430
Net carrying amount as at March 31, 2021	615	615

ORIX Auto Infrastructure Services Limited

Notes forming part of Consolidated financial statements (Continued)

as at 31 March 2021

(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, 2019	2,112	2,112
Additions	95	95
Disposals	11	11
As at March 31, 2020	2,196	2,196
As At April 01, 2020	2,196	2,196
Additions	30	30
Disposals	265	265
As at March 31, 2021	1,961	1,961
Accumulated Depreciation / amortization and impairment :		
As At April 01, 2019	418	418
Additions	443	443
Disposals	11	11
As at March 31, 2020	850	850
As At April 01, 2020	850	850
Additions	410	410
Disposals	161	161
As at March 31, 2021	1,099	1,099
Net carrying		
As at March 31, 2020	1,346	1,346
As at March 31, 2021	862	862

Orix Auto Infrastructure Services Limited
Notes forming part of Consolidated financial statements as on 31 March 2021 (Continued)
(All amounts are in INR Lakhs, except as stated)

Particulars	As at 31 March 2021	As at 31 March 2020
Financial Assets		
Note 5		
Loans		
Loan against Hypothecation of vehicle	9,877	16,172
Loan against Property	1,49,429	1,59,474
Finance Leases	25,608	26,625
Less: Expected credit loss allowance	(8,588)	(4,687)
Total	1,76,326	1,97,584

Emergency Credit Line Guarantee Scheme (ECLGS) in respect of Loan against Hypothecation of vehicle and Loan against property

During the current year, the Government of India through Ministry of Finance, Department of Financial Services, had introduced the Emergency Credit Line Guarantee Scheme (ECLGS), for providing 100% guarantee coverage for additional working capital term loans (in case of Banks and FIs) and additional term loans (in case of NBFCs) upto 20% of their entire outstanding credit (upto limits specified under the Scheme) as on February 29, 2020. ECLGS was offered to borrowers eligible as per the criteria specified in the scheme. The Group carried out credit assessment of eligible borrowers to assess the requirement of the borrower and the qualifying criteria as per criteria as specified by National Credit Guarantee Trustee Company Limited (NCGTC).

Restructuring of Accounts in respect of Loan against Hypothecation of vehicle and Loan against property

The economic fallout on account of COVID-19 pandemic has led to significant financial stress for many borrowers. Considering the above, with the intent to facilitate revival and to mitigate the impact on ultimate borrowers, Reserve Bank of India (RBI) introduced measures under the Resolution Framework for COVID-19. As per the RBI Framework, the Group established a policy to provide resolution for eligible borrowers having stress on account of COVID-19 in line with the RBI Guidelines. As advised under the said circular and Group's policy, the eligibility of customers was assessed, so as to understand the extent of financial stress caused due to COVID-19, sales and consequent cash flow mismatch, duly supported by the documentary evidence. In addition to assessing the impact of stress, the Resolution framework was discussed with the eligible borrower (Refer note 47 for disclosure as per circular on restructuring)

Note 6

Other financial assets

Security Deposits- Premises	80	213
Less: Expected credit loss allowance	(14)	(5)
	66	208
Security Deposits- Petrol & Sundry Deposits	163	234
Bank deposits with residual maturity of more than 12 months*	8	89
Retained Interest on Loan Assigned	416	432
Out of pocket expenses recoverable	4,084	2,639
TOTAL	4,737	3,602

* The bank deposits of ₹ 6 (Previous year ₹ 86) have been kept as a security for registration with the VAT authorities of various states.

Note 7

Other non current assets

Balances with Government authorities- VAT Input Credit and TDS refund	1,786	1,775
Prepaid Expenses	223	216
Advance Tax (net of provision for tax - ₹ 22,936 (previous year ₹ 22,936))	4,464	3,858
TOTAL	6,473	5,849

Note 8

Inventories

Stores and spares	11	34
Retired Vehicles held for sale *	326	358
Total	337	392

* The Group has created provision of ₹ 229 (Previous year ₹ 249) which is netted off against retired vehicles held for sale

Note 9

Trade receivables

Receivables considered good secured	5,501	13,073
Less: Loss allowance for trade receivable	(25)	(65)
Receivables considered good unsecured	-	-
Less: Loss allowance for trade receivable	-	-
Receivables which have significant increase in credit risk	976	1,288
Less: Loss allowance for trade receivable	(4)	(13)
Receivable credit impaired	2,339	1,498
Less: Loss allowance for trade receivable	(618)	(399)
TOTAL	8,169	15,382

There are no debts due by directors or other officers of the Group

Orix Auto Infrastructure Services Limited
Notes forming part of Consolidated financial statements as on 31 March 2021 (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	6,261	8,347
Cheques, drafts on hand	17	-
Cash on hand	115	34
	<u>6,393</u>	<u>8,381</u>

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 *	406	77
TOTAL	<u>406</u>	<u>77</u>

* The bank deposits of ₹ 363 (Previous year ₹ 38) have been kept as a security for registration with the VAT authorities of various states.

Note 12

Current financial assets

Loans

Finance Lease	19,912	19,574
Loan against hypothecation	15,729	20,086
Loan against property	7,595	6,977
Loans and advances to employees	8	64
Total	<u>43,244</u>	<u>46,701</u>

Emergency Credit Line Guarantee Scheme (ECLGS) in respect of Loan against Hypothecation of vehicle and Loan against property

During the current year, the Government of India through Ministry of Finance, Department of Financial Services, had introduced the Emergency Credit Line Guarantee Scheme (ECLGS), for providing 100% guarantee coverage for additional working capital term loans (in case of Banks and FIs) and additional term loans (in case of NBFCs) upto 20% of their entire outstanding credit (upto limits specified under the Scheme) as on February 29, 2020. ECLGS was offered to borrowers eligible as per the criteria specified in the scheme. The Group carried out credit assessment of eligible borrowers to assess the requirement of the borrower and the qualifying criteria as per criteria as specified by National Credit Guarantee Trustee Company Limited (NCGTC).

Restructuring of Accounts in respect of Loan against Hypothecation of vehicle and Loan against property

The economic fallout on account of COVID-19 pandemic has led to significant financial stress for many borrowers. Considering the above, with the intent to facilitate revival and to mitigate the impact on ultimate borrowers, Reserve Bank of India (RBI) introduced measures under the Resolution Framework for COVID-19. As per the RBI Framework, the Company established a policy to provide resolution for eligible borrowers having stress on account of COVID-19 in line with the RBI Guidelines. As advised under the said circular and Company's policy, the eligibility of customers was assessed, so as to understand the extent of financial stress caused due to COVID-19, sales and consequent cash flow mismatch, duly supported by the documentary evidence. In addition to assessing the impact of stress, the Resolution framework was discussed with the eligible borrower.

Note 13

Other financial assets

Non-Derivative Asset

Deposits	198	75
Security Deposits- Petrol and Sundry Deposits	51	51
Interest accrued on fixed deposit	22	-
Recoverable from sale of assets	29	27
Exgratia receivable*	197	-
Retained Interest on Loan Assigned	90	131
Out of pocket expenses recoverable	2,985	3,004
Less: Expected credit loss allowance	(15)	(17)

TOTAL	<u>3,557</u>	<u>3,271</u>
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*The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months from March 20 to Aug 20 to borrowers in specified loan accounts (Scheme), as per the eligibility criteria and other aspects specified therein and irrespective of whether the moratorium was availed or not. The Group has implemented the Scheme and calculated the amount to be credited to the eligible borrowers loan account as per the Scheme.

Orix Auto Infrastructure Services Limited
Notes forming part of Consolidated financial statements as on 31 March 2021 (Continued)
(All amounts are in INR Lakhs, except as stated)

Note 14

Other current assets

Capital Advances	3,756	2,224
Prepaid Expenses	1,057	1,261
Advances to suppliers - considered good	2,178	2,031
Advances to suppliers - considered doubtful	225	225
Less: Allowance for doubtful advances	(225)	(225)
Balance with government authorities		
- VAT Input Credit	0	0
- GST credit receivable	7,505	9,088
Advance for expenses	539	339
Incentive receivable from dealers	142	93
Others Receivables	-	33
TOTAL	15,177	15,069

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

1,27,996,498 (previous year 1,27,996,498) equity shares of ₹ 10 each

12,800 12,800

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

Note 16

Other equity

Securities premium account	39,985	39,985
General reserve	1,856	1,856
Statutory Reserve	4,479	3,527
Retained Earnings	15,704	14,950
Other Comprehensive Income	(631)	(782)
TOTAL	61,393	59,536

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/utilised 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

Unsecured loan

Term Loan		
- From Banks	65,853	1,10,522
- Masala Bond	10,000	10,000
- From Parent Company (ORIX Corporation-Japan)	15,000	15,000
- ECB Borrowing from Bank	24,688	17,500
Non-Convertible Debentures	20,000	-

TOTAL

1,35,541 1,53,022

1. The Group borrows from various banks, in the form of term loan up to a period 5 years. As on March 31,2021 interest rate range was 5.82% p.a. to 9.15% p.a. (Previous year interest rate range was 7.69% 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 Group and a specific floating charge over future receivables of the Group with security cover of 1.1x.

Orix Auto Infrastructure Services Limited
Notes forming part of Consolidated financial statements as on 31 March 2021 (Continued)
(All amounts are in INR Lakhs, except as stated)

Note 18

Lease liabilities

Lease liabilities (Refer note no 40)	847	1,102
	<u>847</u>	<u>1,102</u>

Note 19

Other financial liabilities

Security deposits from lessees	974	999
TOTAL	<u>974</u>	<u>999</u>

Note 20

Provisions

Provision for employee benefits

Provision for Employees' Retirement Benefits		
- Provision for Compensated absences	437	405
- Provision for Gratuity	153	91
TOTAL	<u>590</u>	<u>496</u>

Note 21

Other non-current liabilities

Deffered Income-Securities deposit	342	325
Other liabilities	712	648
TOTAL	<u>1,054</u>	<u>973</u>

Note 22

Short term borrowings

Secured

Loans repayable on demand from banks		
- Cash Credit and Overdraft facilities From Banks	245	198
- Term loans	2,400	-
- Working capital Demand Loan	600	-

Unsecured

Loans repayable on demand from banks		
- Working capital Demand Loan	20,500	26,611
- Book Overdraft	125	177
- Term loans	9,500	20,500
Interest accrued but not due on borrowings	896	2,073
TOTAL	<u>34,266</u>	<u>49,559</u>

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 1 years carried interest rate of 4.60% p.a. to 10.65% p.a. (Previous year 6.75% p.a. to 8.30% 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)	193	426
TOTAL	<u>193</u>	<u>426</u>

Note 24

Trade Payables

Total outstanding dues of Micro and Small Enterprises (Refer note 36.5)	167	119
Total outstanding dues of Creditors other than Micro and Small Enterprises	9,253	12,138
TOTAL	<u>9,420</u>	<u>12,257</u>

Orix Auto Infrastructure Services Limited
Notes forming part of Consolidated financial statements as on 31 March 2021 (Continued)
(All amounts are in INR Lakhs, except as stated)

Note 25

Other financial liabilities

Current maturities of long term debts-Unsecured*	76,047	69,224
Current maturities of Non-Convertible Debentures-Unsecured	-	20,000
Other Payables to Employees	1,352	1,007
Payable in respect of loans assigned	135	83
Other Payables	466	321
Advance from customers	4,819	2,934
Security Deposits from Lessees	578	492
- Provision for expenses	2,261	746
TOTAL	85,658	94,807

*All 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	24	23
- Provision for Gratuity	278	298

Other Provisions

- Others	37	16
TOTAL	339	337

Note 27

Other current liabilities

Provision for income tax ((Net of TDS and Advance tax of ₹ 6,089(previous year. ₹ 3,335)	286	100
Statutory remittances (Contributions to PF, withholding taxes, Sales Tax, Service Tax, etc)	2,331	2,190
Operating lease rentals accrued but not due	249	363
Advance rental under self drive	45	65
Net Insurance & maintenance reserves of operating lease	32	85
Payable to Employees	54	9
TOTAL	2,997	2,812

Orix Auto Infrastructure Services Limited**Notes forming part of Profit and Loss for the Year ended 31 March 2021 (Continued)**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Note 28		
Revenue from operations		
<u>Sale of products</u>		
Spares and Consumables	1,343	1,490
<u>Sale of services</u>		
Operating leases on vehicles	26,206	29,672
Car rentals	6,855	22,681
Car Rental - Self Drive	1,364	2,090
Business transport solutions	7,668	21,081
Service Centre Revenue	145	295
Maintenance Revenue	878	731
FMS revenue	1,501	1,073
Interest on loan and lease	31,167	31,694
<u>Other Operating Revenue</u>		
Discount Received From Dealers	152	102
Income on pre termination of lease	35	233
Discount- Business transport solutions vendors	113	357
Insurance Commission	213	282
TOTAL	77,640	1,11,781
Note 29		
Other income		
Interest income on:		
Bank deposits	126	156
Income tax refund	70	74
Interest on advance to suppliers	16	23
Loans to employees	0	1
Securities-Lesses	93	71
Security Deposits-Premises	18	15
Penal Interest Income	26	24
Origination and processing fees	191	274
Termination / Rescheduling charges	254	276
Profit on Sale of Vehicles	536	-
Bad debts recovered	8	82
Sundry balances written back	198	863
Others Interest	-	9
Other Non-Operating Income		
Miscellaneous income	1,433	2,726
TOTAL	2,969	4,594
Note 30		
Cost of material consumed		
Spare Parts and Accessories		
Inventory at the beginning of the year	29	19
Add: Purchases	1,207	1,307
Less: Inventory at the end of the year	(6)	(29)
TOTAL	1,230	1,297
Note 31		
Employee benefit expenses		
Salaries and wages	9,781	10,560
Contribution to provident and other funds	763	865
Staff welfare expenses	241	517
TOTAL	10,785	11,942
Note 32		
Finance Cost		
Interest expense on financial liabilities at amortised cost	19,997	24,979
Other finance / Borrowing charges	750	649
Interest on lease liabilities	105	138
TOTAL	20,852	25,766

Orix Auto Infrastructure Services Limited**Notes forming part of Profit and Loss for the Year ended 31 March 2021 (Continued)**

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

Note 33**Depreciation, amortisation and impairment**

Depreciation on tangible fixed assets	22,738	25,268
Depreciation on Right-of-use assets	410	443
Amortization of intangible assets	203	155
TOTAL	23,351	25,866

Note 34**Other expenses**

Contract labour / chauffeurs payment	2,016	4,081
Service station labour charges	74	155
Car hire charges for Car rental	586	6,887
Car hire charges for Business Transport Solution	4,644	15,833
Rent	244	273
Electricity	151	223
Travelling and conveyance	160	586
Communication expenses	248	345
Professional and legal fees	769	818
Vehicle running expenses	1,481	2,964
Repairs and maintenance :		
- Plant and Machinery	127	125
- Others	836	1,600
Insurance premium	1,600	1,926
Rates and taxes	647	692
Directors' sitting fees	21	17
Printing and stationery	22	88
Software maintenance expenses	482	460
Loss on sale of fixed assets (net)	-	1,181
Freight and forwarding charges	16	21
Sundry balances written off	10	-
Bad debts	-	224
Loss on pre termination of lease	394	-
Loss Allowance ECL	4,099	1,778
Loss on foreclosure of commercial vehicle loans	1,651	614
Corporate Social Responsibility Expenditure (Refer note (i) below)	170	139
Payment to the auditor (Refer note (ii) below)	122	120
Retained Interest Receivable Adjustment	58	68
Miscellaneous expenses	1,351	2,030
TOTAL	21,979	43,248

Notes :

(i) Corporate Social Responsibility Expenditure (CSR) :

- Gross amount required to be spent by Group on CSR is ₹ 170 (previous year ₹ 139) and the same is spent during the year.
- Amount spent during the year on:

Particulars	Amount Spent	
1. Construction/acquisition of any asset	-	-
2. On purposes other than (1) above	170	139
Total	170	139

(ii) Payment to Auditors:

Statutory Audit	110	113
For Certification Work	12	7
Total	122	119

Note 35**Earnings per equity share**

Profit after tax attributable to equity shareholders (A)	1,860	1,561
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 (INR) (A / B)	1.45	1.22
Face value per share (INR)	10	10

ORIX Auto Infrastructure Services Limited

Notes forming part of Consolidated financial statements (Continued)

as at 31 March 2021

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

15.1 Share capital:

Particulars	As at 31 March 2021		As at 31 March 2020	
	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	12,79,96,498	12,800	12,79,96,498	12,800
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 2021		As at 31 March 2020	
	Number	Amount	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 Group 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 Group 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 Group, the holders of equity shares will be entitled to receive residual assets of the Group, 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 Group / shares held by holding / ultimate holding company:

Particulars	As at 31 March 2021		As at 31 March 2020	
	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 allotted pursuant to contract(s) without payment being received in cash

ORIX Auto Infrastructure Services Limited

Notes forming part of Consolidated financial statements (Continued)

for the year ended 31 March 2021

(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 2021	31 March 2020
i) Claims against the Group not acknowledged as debts		
Income tax	1,194	1,194
Sales tax and Value added tax	6,535	5,624
Service tax	16,295	16,295
Litigation pending against the Group	94	75
Total	24,118	23,188
ii) Commitments:		
	7,754	3,408

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

Particulars	31 March 2021		31 March 2020	
	Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Amount payable for Bank Guarantee fees (USD)	1	107	2	122
Amount payable for Bank Global fees (USD)	0	3	0	1
Amount payable for Reimbursement of Salary (YEN)	124	82	120	83
Amount payable for Reimbursement of Expenses Received (USD)	3	210	3	204

36.3 The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. The Group 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 Group 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 2021.

Particulars	31 March 2021	31 March 2020
a) Principal amount due and remaining unpaid to suppliers as at the year end	167	98
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.

36.6 Value zero represent amount less than fifty thousand.

Orix Leasing and Financial Services Limited
Notes forming part of Consolidated financial statements (Continued)
(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 ₹ 60 (previous year ₹ 58) 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 ₹ 454 (previous year ₹ 576) 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 2021	31 March 2020
	Gratuity Funded	
Defined benefit obligation	1,960	2,001
Fair value of plan assets	1,530	1,612
Net defined benefit (obligation)/assets	430	389
Non-current	153	91
Current	278	298

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 2021	31 March 2020
	Gratuity Funded	
Defined benefit obligation		
Opening balance	2,000	1,671
Included in profit or loss		
Current service cost	223	196
Past service cost		
Interest cost (income)	137	127
	2,360	1,994
Included in OCI		
Remeasurement loss (gain):	(52)	141
Actuarial loss (gain)	(119)	99
	2,189	2,234
Other		
Contributions paid by the employer	(38)	(49)
Benefits paid	(192)	(185)
Closing balance	1,960	2,000
Fair value of plan asset		
Opening balance	1,612	1,350
Included in profit or loss	-	-
Interest income	110	103
	1,722	1,453
Included in OCI		
Return on plan assets excluding interest income	29	(67)
	1,751	1,386
Other		
Contributions paid by the employer	9	460
Benefits paid	(230)	(233)
Closing balance	1,530	1,613
Represented by		
Net defined benefit asset	-	-
Net defined benefit liability	429	389
	429	389

C. Plan assets

Plan assets comprise the following :

	31 March 2021	31 March 2020
	Gratuity Funded	
Investment in scheme of insurance	100%	100%

Orix Leasing and Financial Services Limited
Notes forming part of Consolidated 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 2021	31 March 2020
Discount rate	7.02%	6.84%
Expected rate of return on plan assets	7.02%	6.84%
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 2021	As at 31 March 2020
Opening Balance	389	321
Expenses Recognized in the Statement of Profit or Loss	249	220
Expenses Recognized in OCI	(200)	307
Net Liability/(Asset) transfer in	-	-
Net Liability/(Asset) transfer out	-	-
(Benefit paid directly by employer)	-	-
(Employer benefits)	(8)	(459)
Net liability/Asset recognised in the balance sheet	430	389

F. Expenses recognized in Statement of Profit & loss

	As at 31 March 2021	As at 31 March 2020
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	223	196
Net Interest Cost	27	24
Expenses Recognized	250	220

G. Expenses recognized in Other Comprehensive Income (OCI)

	As at 31 March 2021	As at 31 March 2020
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	(171)	240
Return on Plan Assets, Excluding Interest Income	(29)	67
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(200)	307

H. Reconciliation of OCI

Gratuity	As at 31 March 2021	As at 31 March 2020
Opening Balance	782	552
Acturaries losses during the year	(152)	230
Balance end of the year	630	782

I. Other Details

	As at 31 March 2021	As at 31 March 2020
Prescribed contribution for next years (12 months)	312	356

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

	As at 31 March 2021	As at 31 March 2020
Projected benefits payable in future years from the date of reporting		
1st following Year	65	94
2nd following Year	51	52
3rd following Year	183	70
4th following Year	86	186
5th following Year	173	93
Sum of years 6 to 10	1,022	971

Orix Leasing and Financial Services Limited
Notes forming part of Consolidated financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)

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-21		31-Mar-20	
	Increase	Decrease	Increase	Decrease
		Gratuity		Gratuity
Discount rate (1% movement)	(149)	(56)	(182)	211
Future salary growth (1% movement)	214	(273)	209	(183)
Employee turnover rate (1% movement)	18	(20)	5	(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 2021 based on actuarial valuation using the projected accrued benefit method is ₹ 461 (previous year ₹ 428).

ORIX Auto Infrastructure Services Limited

Notes forming part of Consolidated 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, Managing Director & Chief Executive Officer		
Mr. Vivek Wadhera, Chief Financial Officer		
Mr. Takashi Nakayama, Additional Director (from 04 November 2020)		
Mr. Harukazu Yamaguchi, Chairman and Director (upto 12 January 2021)		
Mr. Yoshiaki Matsuoka, Chairman and Director (from 04 November 2020 and Chairman w.e.f 12 January 2021)		
Mr. Kiyokazu Ishinabe, Director (upto 04 November 2020)		
Mr. Ikuo Nakamura, Director (upto 31 July 2020)		
Mr. Takehiro Onishi, Additional Director (from 12 January 2021)		
Mr. Shin Hamada, Additional Director (from 31 March 2021)		
Mr. Nagesh Dubey, Independent Director		
Mr. Abhay Kakkar, Independent Director		
Mr. Ryohei Suzuki, Whole Time Director		
Ms. Meeta Sanghvi, Director		
Fellow Associate		
Infrastructure Leasing And Financial Services Ltd	India	0.00%

B. Transactions with Related Parties

Particulars	Holding Company	Key management personnel	Fellow Associate
ECB borrowing	10,000 (25,000)	- (-)	- (-)
Interest Expenses on ECB	2,264 (1,117)	- (-)	- (-)
Bank Guarantee & Other Exp	216 (244)	- (-)	- (-)
Reimbursement of Commitment charges	12 (19)	- (-)	- (-)
Reimbursement of salary	82 (83)	- (-)	- (-)
Reimbursement of Service fees for staffing and advisory services	- (186)	- (-)	- (-)
Mr. Sandeep Gambhir, Managing Director & Chief Executive Officer	- (-)	285 (280)	- (-)
Mr. Vivek Wadhera, Chief Financial Officer	- (-)	199 (219)	- (-)
Mr. Ryohei Suzuki, Whole Time Director	- (-)	101 (85)	- (-)
Mr. Abhay Kakkar, Independent Director	- (-)	4 (8)	- (-)
Mr. Nagesh Dubey, Independent Director	- (-)	4 (7)	- (-)
Premises Deposits	- (-)	- (-)	- (20)
Expenses towards Rent & electricity	- (-)	- (-)	79 (92)
Loans & receivables (Net off ECL)	- (-)	- (-)	3 (4)
Income from finance lease	- (-)	- (-)	0 (1)

Figures in brackets relate to previous year.

ORIX Auto Infrastructure Services Limited

Notes forming part of Consolidated 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 Associate
Interest and other Expenses	306 (278)	- (-)	- (-)
ECB borrowing	35,000 (25,000)	- (-)	- (-)
Reimbursement of salary	82 (83)	- (-)	- (-)
Receivable	210	-	-
Service fees for staffing and advisory services	(204)	(-)	(-)
Payable towards Director sitting fees			
Mr. Abhay Kakkar	- (-)	3 (1)	- (-)
Mr. Nagesh Dubey	- (-)	2 (1)	- (-)
Loans & receivables (Net off ECL)	- (-)	- (-)	0 (1)
Payable towards rent & electricity	- (-)	- (-)	18 (35)

Figures in brackets relate to previous year.

Orix Auto Infrastructure Services Ltd.
Notes forming part of Consolidated financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)

Note - 39

Finance Lease as Lessor

The Group 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, 2021	As at 31 March, 2020
Finance lease income	6,144	6,576
Net investment in finance lease	42,492	44,215

Category of lease

	As at 31 March, 2021	As at 31 March, 2020
Vehicle	32,828	35,820
Equipment	10,967	8,393
Two Wheeler	90	112
Furniture & Fixture	168	52
	44,053	44,377

Movement of net investment in finance lease

	As at 31 March, 2021	As at 31 March, 2020
Opening balance	44,215	41,574
Net addition	(1,723)	2,641
Net closing of net investment in finance lease	42,492	44,215
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	23,321	18,308	22,646	17,291
Between one and five years	30,073	25,745	31,826	27,086
More than five years	-	-	-	-
	53,394	44,053	54,472	44,377

Operating Lease as Lessor:

The Group 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 contingent rent is not considered as part of MLP as they are not reasonably measured at the commencement of the lease and recognised in profit and loss as income when received.

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 Group 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, 2021	As at 31 March, 2020
Vehicle	25,250	28,694
	25,250	28,694

i. Future Minimum Lease Payments

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

	As at 31 March, 2021	As at 31 March, 2020
Less than one year	22,277	25,222
Between one and five years	24,819	29,182
More than five years	-	-
	47,096	54,404

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 classified 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, 2021	As at 31 March, 2020
Gross carrying amount	3,103	3,103
Addition	-	-
Net carrying amount	3,103	3,103
Opening Accumulated depreciation	237	178
Depreciation for the period	59	59
Net carrying amount	2,806	2,866

ORIX Auto Infrastructure Services Limited**Notes forming part of Consolidated financial statements (Continued)***(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 Group or modified by the Group 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, Group 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.

The Group 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.

As a result of ongoing pandemic, during the year 2020-21, the lessor and the Group mutually agreed concession in rental for premises. There is a reduction in lease payments due to rent concession. As these concessions are short term, the change in lease payments of INR 98 is credited to profit and loss account.

The Group has applied the practical expedient to all rent concessions as these concession meet the conditions of practical expedient.

IND AS 116 disclosure

Particular	As at 31 March, 2021	As at 31 March, 2020
Depreciation charge of ROU	410	443
Interest expenses on lease liability	105	138
Expenses for short term leases	66	381
Expenses for low value leases	-	-
Cash outflow of leases during the year	410	522
additions to ROU during the year	44	96
Carrying amount of ROU	862	1,346
Maturity analysis of undiscounted lease cash flows		
Less than 6 months	145	254
6-12 months	108	257
1-2 years	218	297
2-5 years	439	587
More than 5 years	332	482
Total	1,242	1,877

ORIX Auto Infrastructure Services Limited
Notes forming part of Consolidated 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

Particulars	Reportable segments				
	Lending	Transport Solutions	Total Segments	Adjustments & Eliminations	Consolidated
For the year ended March 31, 2021					
Revenue					
External Customers	33,961	46,647	80,607		80,607
Inter-segment	25	742	766	766	-
Total Revenue	33,986	47,389	81,373	766	80,607
Income / (expenses)					
Interest Income	31,504	105	31,609	94	31,515
Interest expense	14,400	5,598	19,997	94	19,903
Depreciation and amortization	947	22,403	23,351		23,351
Income tax expense	1,744	(1,040)	704		704
Material non-cash items other than depreciation and amortisation (Bad debts and Loss allowance ECL)	3,991	108	4,099		4,099
Segment profit / (loss)	6,587	(4,177)	2,411		2,411
Segment assets	2,45,273	1,44,415	3,89,688	43,618	3,46,071
Segment liabilities	2,45,273	1,44,415	3,89,688	43,618	3,46,071
Other disclosures					
Investment in an associate and a Joint venture	-	-	-	-	-
Capital expenditure	293	21,251	21,543	-	21,543

Particulars	Reportable segments				
	Lending	Transport Solutions	Total Segments	Adjustments & Eliminations	Consolidated
For the year ended March 31, 2020					
Revenue					
External Customers	34,817	81,558	1,16,375		1,16,375
Inter-segment	45	467	512	512	-
Total Revenue	34,862	82,025	1,16,887	512	1,16,375
Income / (expenses)					
Interest Income	31,982	204	32,186	45	32,231
Interest expense	17,632	7,347	24,979	73	25,052
Depreciation and amortization	927	24,940	25,867		25,867
Income tax expense or income	3,980	1,043	5,022		5,022
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	545	8,255		8,255
Segment assets	2,69,146	1,63,577	4,32,723	43,596	3,89,127
Segment liabilities	2,69,146	1,63,577	4,32,723	43,596	3,89,127
Other disclosures					
Investment in an associate and a Joint venture	-	-	-	-	-
Capital expenditure	359	33,714	34,073		34,073

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.

ORIX Auto Infrastructure Services Limited

Notes forming part of Consolidated 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, 2021 INR	Carrying amount		Fair value			Total
	Total	Level 1	Level 2	Level 3		
Financial assets						
Loans						
Loan against Hypothecation of vehicle	22,066	-	22,255	-		22,255
Loan against Property	1,52,718	-	1,52,718	-		1,52,718
Finance Leases	44,779	-	46,286	-		46,286
Security Deposits	434	-	434	-		434
Other Advances	1,871	-	1,871	-		1,871
Other Deposits	3	-	3	-		3
Other financial assets	24	-	24	-		24
Trade receivables	8,170	-	8,170	-		8,170
Other receivables	4,903	-	4,903	-		4,903
Cash and cash equivalents	6,486	6,486	-	-		6,486
Bank balances other than above	319	319	-	-		319
Retained Interest on Loan Assigned	505	-	505	-		505
Loans and advances to employees	3	-	3	-		3
Other Current Financial Assets	552	-	552	-		552
	2,42,833	6,805	2,37,724	-		2,44,529
Financial liabilities						
Term Loan	1,53,800	-	1,42,546	-		1,42,546
Masala Bond	10,000	-	10,000	-		10,000
ECB Borrowing from Bank	24,688	-	24,688	-		24,688
Non-convertible Debentures	20,000	-	20,000	-		20,000
Term loan from Parent Company (ORIX Corporation-Japan)	15,000	-	14,792	-		14,792
Security Deposits From Lessees	1,551	-	1,551	-		1,551
Cash Credit	245	-	245	-		245
Overdraft facilities	125	-	125	-		125
Working capital Demand Loan-Secured	600	-	600	-		600
Working capital Demand Loan-Unsecured	20,500	-	20,500	-		20,500
Unrealised gain on Loan assigned	135	-	135	-		135
Other Payables to Employees	1,352	-	1,352	-		1,352
Advance from customers	4,819	-	4,819	-		4,819
Trade and other payables	9,846	-	9,846	-		9,846
Provision for expenses	2,261	-	2,261	-		2,261
Interest accrued but not due on borrowings	896	-	896	-		896
Lease liabilities	1,040	-	1,040	-		1,040
	2,66,858	-	2,55,396	-		2,55,396
March 31, 2020						
INR						
	Carrying amount		Fair value			
	Total	Level 1	Level 2	Level 3		Total
Financial assets						
Loan against Hypothecation of vehicle	33,994	-	33,866	-		33,866
Loan against Property	1,64,752	-	1,64,752	-		1,64,752
Finance Leases	45,476	-	47,377	-		47,377
Security Deposits	519	-	519	-		519
Other Deposits	10	-	10	-		10
Other Advances	1,112	-	1,112	-		1,112
Other financial assets	1	-	1	-		1
Trade receivables	15,382	-	15,383	-		15,383
Other receivables	3,884	-	3,884	-		3,884
Cash and cash equivalents	8,470	8,470	-	-		8,470
Bank balances other than above	77	77	-	-		77
Loans and advances to employees	621	-	621	-		621
Other Current Financial Assets	760	-	760	-		760
	2,75,058	8,547	2,68,285	-		2,76,832
Financial liabilities						
Term Loan	2,00,246	-	1,82,314	-		1,82,314
Masala Bond	10,000	-	10,000	-		10,000
Term loan from Parent Company (ORIX Corporation-Japan)	15,000	-	14,761	-		14,761
ECB Borrowing from Bank	17,500	-	17,500	-		17,500
Non-convertible Debentures	20,000	-	20,000	-		20,000
Security Deposits From Lessees	1,492	-	1,492	-		1,492
Cash Credit	198	-	198	-		198
Overdraft facilities	7	-	7	-		7
- Working capital Demand Loan-unsecured	26,611	-	26,611	-		26,611
Book Overdraft	170	-	170	-		170
Other Payables to Employees	1,007	-	1,007	-		1,007
Advance from customers	2,936	-	2,936	-		2,936
Payable in respect of loans assigned	83	-	83	-		83
Trade and other payables	12,578	-	12,578	-		12,578
Lease liabilities	1,528	-	1,528	-		1,528
Interest accrued but not due on borrowings	2,073	-	2,073	-		2,073
Provision for expenses	745	-	745.50	-		745
	3,12,174	-	2,94,003	-		2,94,003

ORIX Auto Infrastructure Services Limited

Notes forming part of Consolidated 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 been 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 Consolidated 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	
	March 31, 2021	March 31, 2020
Borrowings		
Fixed rate borrowings		
Non-Convertible Debentures	20,000	20,000
Term Loan from Banks	59,500	64,250
Term loan from Parent Company (ORIX Corporation-Japan)	15,000	15,000
Lease liabilities	885	1,180
Security Deposits	1,551	1,492
Total	<u>96,936</u>	<u>1,01,922</u>
Variable rate borrowings		
Term Loan from Banks	1,28,988	1,63,496
Cash Credit and Overdraft facilities From Banks	370	375
Working capital Demand Loan	21,100	26,611
Total	<u>1,50,458</u>	<u>1,90,482</u>

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	
	March 31, 2021	March 31, 2020
Interest bearing financial assets		
Fixed Rate		
Loan against Hypothecation of vehicle	22,066	33,994
Finance Leases	44,779	45,476
Advance to employees	8	64
Security Deposits	434	519
Deposit	2,230	50
Other Deposits	458	215
Total	<u>69,975</u>	<u>80,318</u>
Variable Rate		
Loan against Property	1,52,718	1,64,752
Total	<u>1,52,718</u>	<u>1,64,752</u>

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.

INR Lakhs	Profit or (loss)	
	100 bp increase	100 bp decrease
31-Mar-21		
Variable-rate instruments	23	(23)
Cash flow sensitivity (net)	<u>23</u>	<u>(23)</u>
31-Mar-20		
Variable-rate instruments	(257)	257
Cash flow sensitivity (net)	<u>(257)</u>	<u>257</u>

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.

ORIX Auto Infrastructure Services Limited

Notes forming part of Consolidated financial statements (Continued)

for the year ended 31 March 2021

(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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group'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 Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

a. Collaterals held and concentrations of credit risk

The Group holds security deposit as collaterals against its credit exposures from Operating Lease.

The Group evaluates the credit risk after considering factors such as collateral 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 2021	2,407	1	2,406
31 March 2020	2,903	24	2,879

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 Group 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 Group'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 Group.

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 Group 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 Consolidated financial statements (Continued)

for the year ended 31 March 2021

(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, recoveries from sale of CV assets have been stressed by 30% and 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 has had a significant impact on economic activities globally as well as across our country. After the onset of the Covid pandemic in 2020 and subsequent lockdown of the economy, there was a calibrated opening up of the economy till February 21. However, there was the onset of the second wave and the economy was under lockdown again since the end of fiscal year 2020-21 and beginning of 2021-22. The Indian economy is now again opening up in a calibrated way, and is projected to bounce back from a low base after a contraction in 2020. 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 which are highly uncertain.

The Government of India and Reserve Bank of India as a part of its measures to support and boost the economy have since last year come out with various measures for the lending businesses including granting of moratorium for six months to eligible borrowers, ECLGS Scheme and Resolution Framework for COVID-19-related Stress.

Based on the plans rolled out by the Group with respect to the above measure and other information available up to the date of approval of these financial statements, the Group 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, as at 31 March 2021, the Group has:

a) made adequate provision for credit losses on its loan portfolio and trade receivable 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 Group 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. Certain loan accounts in the LAP portfolio and Loan against Hypothecation of vehicle portfolios have been extended resolution under the Resolution Framework for COVID-19-related Stress announced by the RBI on 6th August 2020. For such LAP accounts, the management has decided to keep a minimum ECL floor of 5% and 10% of exposure amount for MSME & non MSME loans respectively. Similarly, for Loan against Hypothecation of vehicle portfolio, the management has decided to keep a minimum ECL floor of 10% of exposure amount.

The final impact of the global health pandemic is 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 statements. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Group.

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 Group has used the data source of Economist Intelligence Unit. GDP has been used as a macro economic factor to calculate the forward looking probabilities of default. The upside downside % change has been derived using historical standard deviation from the base scenario based on previous 7 years change in the variables.

Scenario Weights have been arrived at taking into consideration the products and prevailing macro-economic conditions. With the overall economic condition worsening on account of COVID 19, the worst case scenario weights have been substantially increased for the retail lending products and Car rental. This is basis management's estimation of market scenario and related impact on portfolio quality.

31 March 2021	Probability assigned		
	Best Case	Base Case	Worst Case
Operating Lease	21.20%	68.20%	10.60%
Car Rental	21.20%	48.40%	30.40%
Business Transport Solution	21.20%	68.20%	10.60%
GDP % Operating Lease, Car Rental, Business Transport Solution			
2021 (%)	18	13	8
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			
2021 (%)	18	13	8
2022 (%)	10	5	(1)
2023 (%)	11	6	0
2024 (%)	11	5	(0)
2025 (%)	11	6	0
2026 (%)	11	6	0
2027 (%)	11	6	1
Subsequent years (%)	12	6	1

31 March 2020	Probability assigned		
	Best Case	Base Case	Worst Case
Operating Lease	21.20%	68.20%	10.60%
Car Rental	21.20%	48.40%	30.40%
Business Transport Solution	21.20%	68.20%	10.60%
GDP % Operating Lease, Car Rental, Business Transport Solution			
2021 (%)	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 Consolidated financial statements (Continued)

for the year ended 31 March 2021

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

Financial instruments – Fair values and risk management (Continued)

ii. Credit risk (Continued)

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 Group 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 Group 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 collectibility of receivables, receivables are written off in the statement of profit and loss.

ii Exposure at default and Loss allowance for operating lease, car rental, business transport solution and others

Exposure at default

31 March 2021	Operating Lease	Car Rental	Business Transport Solution	Others	Total
Stage 1	1,400	1,821	2,040	4,366	9,626
Stage 2	649	90	7	231	976
Stage 3	359	413	333	1,232	2,338
Total	2,408	2,324	2,380	5,829	12,940
Loss Allowance	37	225	164	235	661

31 March 2020	Operating Lease	Car Rental	Business Transport Solution	Others	Total
Stage 1	1,844	5,502	5,383	3,772	16,502
Stage 2	588	208	202	297	1,295
Stage 3	447	256	197	597	1,497
Total	2,879	5,966	5,782	4,666	19,293
Loss Allowance	46	158	135	144	482

Loss allowance

The movement in the allowance for impairment in respect of trade and other receivable during the year was as follows:

	31 March 2021	31 March 2020
Operating Lease		
Balance as the beginning of the year	46	20
Impairment loss recognised (net)	(9)	26
Balance as at the year end	37	46
Car Rental		
Balance as the beginning of the year	158	149
Impairment loss recognised (net)	67	9
Balance as at the year end	225	158
Business Transport Solution		
Balance as the beginning of the year	135	85
Impairment loss recognised (net)	30	50
Balance as at the year end	164	135
Others		
Balance as the beginning of the year	144	114
Impairment loss recognised (net)	91	30
Balance as at the year end	235	144
Total Loss allowance	661	482

ORIX Auto Infrastructure Services Limited

Notes forming part of Consolidated financial statements (Continued)
for the year ended 31 March 2021

(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

Exposure at default

Loan against Property	2021		2020	
	EAD	ECL	EAD	ECL
Stage 1	1,21,936	1,771	1,34,972	170
Stage 2	20,701	786	24,534	656
Stage 3	14,387	1,749	6,945	873
Total	1,57,024	4,306	1,66,451	1,699

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	2021		2020	
	EAD	ECL	EAD	ECL
Stage 1	15,579	595	24,447	229
Stage 2	1,813	91	4,466	231
Stage 3	8,214	2,854	7,346	1,805
Total	25,606	3,540	36,259	2,265

Finance Leases	2021		2020	
	EAD	ECL	EAD	ECL
Stage 1	32,964	161	33,732	222
Stage 2	9,240	185	11,451	304
Stage 3	3,452	395	1,478	198
Total	45,656	741	46,661	724

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, 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	(14,287)	(802)	(13)	(15,102)
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	24,447	4,466	7,346	36,259
Transfer to stage one	1,827	(1,751)	(76)	-
Transfer to stage two	(1,261)	1,265	(4)	-
Transfer to stage three	(1,481)	(950)	2,430	(1)
Net remeasurement of loss allowance	(5,050)	(589)	301	(5,338)
New financial assets originated or purchased	150	-	-	150
Financial assets that have been derecognised	(3,053)	(628)	(1,783)	(5,464)
Write – offs	-	-	-	-
Balance as at March 31, 2021	15,579	1,813	8,214	25,606

ORIX Auto Infrastructure Services Limited

Notes forming part of Consolidated financial statements (Continued)

for the year ended 31 March 2021

(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	Stage 1	Stage 2	Stage 3	Total
Loan against Property				
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	(18,863)	19,340	(477)	-
Transfer to stage three	(2,973)	(976)	3,949	-
Net remeasurement of loss allowance	(3,207)	(173)	243	(3,137)
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	1,34,972	24,534	6,945	1,66,451
Transfer to stage one	3,474	(3,444)	(30)	-
Transfer to stage two	(4,566)	4,566	-	-
Transfer to stage three	(3,524)	(3,013)	6,537	-
Net remeasurement of loss allowance	2,134	907	1,279	4,320
New financial assets originated or purchased	5,621	9	-	5,630
Financial assets that have been derecognised	(16,175)	(2,858)	(344)	(19,377)
Write – offs	-	-	-	-
Balance as at March 31, 2021	1,21,936	20,701	14,387	1,57,024

Gross carrying amount	Stage 1	Stage 2	Stage 3	Total
Finance Lease Receivables				
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	(2,303)	(491)	(82)	(2,876)
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	33,826	11,451	1,383	46,660
Transfer to stage one	5,279	(5,235)	(44)	-
Transfer to stage two	(2,007)	2,033	(26)	-
Transfer to stage three	(1,261)	(710)	1,971	-
Net remeasurement of loss allowance	(7,331)	679	39	(6,613)
New financial assets originated or purchased	4,756	1,091	137	5,984
Financial assets that have been derecognised	(298)	(69)	(8)	(375)
Write – offs	-	-	-	-
Balance as at March 31, 2021	32,964	9,240	3,452	45,656

The following table shows reconciliations from the opening to the closing balance of the loss allowances and write offs:

	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loan against Hypothecation of Vehicles				
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
Transfer to 12 month ECL	150	(148)	(2)	-
Transfer to Lifetime ECL not credit impaired	(58)	59	-	1
Transfer to Lifetime ECL credit impaired	(424)	(284)	708	-
Net remeasurement of loss allowance	700	261	783	1,744
New financial assets originated or purchased	18	-	-	18
Financial assets that have been derecognised	(20)	(28)	(440)	(488)
Write – offs	-	-	-	-
Balance as at March 31, 2021	595	91	2,854	3,540

ORIX Auto Infrastructure Services Limited

Notes forming part of Consolidated financial statements (Continued)

for the year ended 31 March 2021

(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:

	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loan against Property				
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
Transfer to 12 month ECL	163	(163)	-	-
Transfer to Lifetime ECL not credit impaired	(369)	369	-	-
Transfer to Lifetime ECL credit impaired	(430)	(367)	797	-
Net remeasurement of loss allowance	2,252	361	121	2,734
New financial assets originated or purchased	4	1	-	5
Financial assets that have been derecognised	(19)	(71)	(42)	(132)
Write – offs	-	-	-	-
Balance as at March 31, 2021	1,771	786	1,749	4,306

	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Finance Lease Receivables				
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
Transfer to 12 month ECL	35	(34)	(1)	-
Transfer to Lifetime ECL not credit impaired	(30)	31	(1)	-
Transfer to Lifetime ECL credit impaired	(126)	(71)	197	-
Net remeasurement of loss allowance	35	(67)	(3)	(35)
New financial assets originated or purchased	29	23	14	66
Financial assets that have been derecognised	(4)	(1)	(9)	(14)
Write – offs	-	-	-	-
Balance as at March 31, 2021	161	185	395	741

ECL changes on Financial instruments recorded in P&L

Year ended 31 March 2021	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Simplified approach	Total
Loan against Hypothecation of Vehicles	363	-140	1,052	-	1,275
Loan against Property	1,600	132	876	-	2,608
Finance Lease Receivables	-61	-119	197	-	17
Trade receivables and others	-	-	-	199	199
Total	1,902	-127	2,125	199	4,099

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	-	-420
Trade receivables and others	-	-	-	138	138
Total	-264	582	1,322	138	1,778

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 Consolidated 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, 2021	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							
Loans							
Cash and cash equivalents	4,241	4,241	4,241	-	-	-	-
Bank balances other than above	319	319	319	-	-	-	-
Loan against Hypothecation of vehicle	22,066	33,994	9,901	8,161	11,066	4,866	-
Loan against Property	1,52,718	1,64,752	2,850	2,917	6,407	1,52,578	-
Finance Leases	44,779	45,801	10,540	8,124	13,715	13,422	-
Trade receivable	8,169	8,179	8,179	-	-	-	-
Other receivables	4,903	4,945	2,249	763	1,015	918	-
Security deposits Premises	434	431	166	28	5	191	42
Sundry Deposits	41	41	41	-	-	-	-
Retained Interest on Loan Assigned	505	505	505	-	-	-	-
Other Deposits	3	3	-	-	-	3	-
Loans and advances to employees	8	6	6	-	-	-	-
Other Advances	3,196	3,193	1,323	-	-	1,871	-
Recoverable from sale of assets	29	29	29	-	-	-	-
Exgratia receivable	197	197	197	-	-	-	-
	<u>2,41,608</u>						
Non-derivative financial liabilities							
Non-convertible Debentures	20,000	-	-	-	-	-	-
Term Loans from Banks	1,54,782	1,61,000	52,734	24,873	62,894	20,500	-
Masala Bond	10,000	10,444	258	10,186	-	-	-
ECB Borrowing from Bank	39,688	44,943	2,368	2,564	2,316	37,695	-
Security deposits	1,551	2,161	374	454	527	806	-
Cash Credits Facilities	245	245	245	-	-	-	-
Overdraft facilities	0	0	0	-	-	-	-
Other Payables to Employees	371	371	371	-	-	-	-
- WORKING capital Demand Loan-Secured	600	600	600	-	-	-	-
Working capital loans from banks	20,500	20,500	20,500	-	-	-	-
Book Overdraft	125	125	125	-	-	-	-
Advance from customers	4,819	6,138	6,138	-	-	-	-
Loans and advances from related party	1,003	1,003	1,003	-	-	-	-
Trade and other payables	9,885	9,885	9,885	-	-	-	-
Payable in respect of loans assigned	135	135	135	-	-	-	-
Interest accrued but not due on borrowings	896	896	896	-	-	-	-
Commitment	7,754	7,754	7,754	-	-	-	-
Lease liabilities	1,040	1,040	235	61	130	311	302
Provision for expenses	2,261	746	746	-	-	-	-
Total	<u>2,75,655</u>						
Contractual cash flows							
March 31, 2020	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	6,304	6,304	6,216	-	88	-	-
Bank balances other than above	77	77	77	-	-	-	-
Loan against Hypothecation of vehicle	33,994	55,597	13,711	11,029	17,494	13,363	-
Loan against Property	1,64,752	1,55,389	3,903	2,374	5,184	1,43,928	-
Finance Leases	45,476	41,914	8,184	7,227	12,558	13,944	-
Trade receivable	15,383	15,383	15,383	-	-	-	-
Other receivable	3,884	3,883	1,852	505	790	737	0
Security deposits Premises	519	519	60	26	138	270	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	2,473	2,473	1,360	-	1	1,113	-
Recoverable from sale of assets	27	27	27	-	-	-	-
	<u>2,73,565</u>						
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	596	210	386	-	-	-
ECB Borrowing from Bank	17,500	8,149	1,120	2,095	3,978	955	-
Term loan from Parent Company (ORIX Corporation-Japan)	15,000	15,000	-	-	-	15,000	-
Security deposits	1,492	1,904	238	311	500	854	-
Cash Credits Facilities	198	198	198	-	-	-	-
Overdraft facilities	7	7	7	(0)	-	-	-
Other Payables to Employees	218	218	218	-	-	-	-
Loans and advances from related party	672	672	672	-	-	-	-
Term loans from others	1,431	1,431	1,431	-	-	-	-
WORKING capital Demand Loan-Secured	26,611	26,611	26,611	-	-	-	-
Book Overdraft	169	169	169	-	-	-	-
Advance from customers	1,505	1,505	1,505	-	-	-	-
Trade and other payables	12,579	12,578	12,578	-	-	-	-
Provision for expenses	745	745	745	-	-	-	-
Interest accrued but not due on borrowings	2,073	2,073	1,868	205	-	-	-
Lease liabilities	1,528	1,528	483	144	153	339	409
Payable in respect of loans assigned	83	83	83	-	-	-	-
Commitment	3,408	3,408	3,408	-	-	-	-
Total	<u>3,16,253</u>						

ORIX Auto Infrastructure Services Limited

Notes forming part of Consolidated 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 Group 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, 2021

ORIX Auto Infrastructure Services Limited
Notes forming part of Consolidated 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.

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
Non-Current Borrowings	1,35,541	1,53,022
Current Borrowings	34,266	49,559
Current maturity of long term debt	76,047	89,224
Gross Debt	2,45,854	2,91,805
Less - Cash and Cash Equivalents	(6,393)	(8,381)
Less - Other Bank Deposits		
Adjusted Net debt	2,39,460	2,83,423
Total equity	74,193	72,336
Adjusted Net debt to equity ratio	3.23	3.92

ORIX Auto Infrastructure Services Limited
Notes forming part of Consolidated 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, 2021	For the year ended March 31, 2020
Current tax		
Current period (a)	2,947	3,583
Changes in estimate related to prior years (b)	-	2
Deferred income tax liability / (asset), net		
Increase in deferred tax assets (c)	(2,242)	2,868
Tax expense for the year (a)+(b)+(c)	705	6,453

(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	48	(77)
	48	(77)

(c) Reconciliation of effective tax rate

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	2,412	8,256
Tax using the Group's domestic tax rate	607	2,077
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Difference in Tax Rate	-	4,345
Corporate Social Responsibility Expenditure	44	35
Difference in Fixed Assets	(2)	5
Rectification of error in Bonus	-	(0)
Interest expense	(1)	
Difference in opening balance due Non Convertible Debenture interest	51	-
Difference due to tax audit adjustment	-	(16)
Others	0	16
Actuarial Gains and Losses posted through OCI	50	(77)
Opening stock difference	4	
Current tax expenses relating to prior years	-	2
	753	6,387

The applicable Indian corporate statutory tax rate for the year ended March 31, 2021 and March 31, 2020 is 25.168% . The decrease in the corporate statutory tax rate to 25.168% is consequent to changes made in the Finance Act, 2020.

ORIX Auto Infrastructure Services Limited
Notes forming part of Consolidated financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)
Note - 45

Deferred Tax

(a) Movement in deferred tax balances

	31-Mar-21					
	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Lease rentals and depreciation	11,147	793	-	11,940	11,940	-
Provision for non-performing assets/Expected Credit Losses	1,274	1,003	-	2,277	2,277	-
Maintenance linked Reserves (MLL)	205	6	-	211	211	-
Provision for Leave Encashment and Gratuity	36	21	-	57	57	-
Disallowance of preliminary expenses	7	-	-	7	7	-
Carry forward loss	-	318	-	318	318	-
Ind AS Adjustments						
Lease rental Straightlining	1	(86)	-	(85)	-	(85)
Effective interest rate on Borrowings	38	(37)	-	1	1	-
Effective Gain on Loan transfer Transactions	(247)	7	-	(240)	-	(240)
Employee benefits Other Comprehensive Income profit & loss	(160)	87	-	(73)	-	(73)
Employee benefits Other Comprehensive Income	160	(37)	(49)	73	73	-
Discounting of security deposits paid for premises	(40)	43	-	3	3	-
Inventory Revaluation for retired vehicles	1	19	-	20	20	-
Discounting of security deposits received from lessees	(7)	4	-	(3)	-	(3)
Effective interest rate on Loans and Advances	10	(10)	-	-	-	-
Right-of-use assets	171	71	-	242	242	-
Others	-	21	-	21	21	-
Initial direct cost salary expense	-	13	-	13	13	-
Salaries	-	8	-	8	8	-
Tax assets (Liabilities)	12,595	2,244	(49)	14,790	15,191	(400)
Set off tax						
Net tax assets	12,595	2,244	(49)	14,790	15,191	(400)

(b) Movement in deferred tax balances

	March 31, 2020					
	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Lease rentals and depreciation	13,877	(2,729)	-	11,147	11,147	-
Disallowance of preliminary expenses	9	(2)	-	7	7	-
Provision for non-performing assets/Expected Credit Losses	1,309	(35)	-	1,274	1,274	-
Maintenance linked Reserves (MLL)	283	(79)	-	204	204	-
Provision for Leave Encashment and Gratuity	64	(29)	-	36	36	-
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 Other Comprehensive Income profit & loss	(82)	(6)	-	(89)	-	(89)
Employee benefits Other Comprehensive Income	82	(71)	77	89	89	-
Depreciation Adjustment	-	-	-	-	-	-
Discounting of security deposits paid for premises	(22)	(18)	-	(40)	-	(40)
Inventory Revaluation for retired vehicles	1	-	-	1	1	-
Discounting of security deposits received from lessees	(6)	(0)	-	(7)	-	(7)
Effective interest rate on Loans and Advances	7	3	-	10	10	-
Right-of-use assets	101	70	-	171	171	-
Tax assets (Liabilities)	15,399	(2,880)	77	12,595	12,978	(383)
Set off tax						
Net tax assets	15,399	(2,880)	77	12,595	12,978	(383)

ORIX Auto Infrastructure Services Limited
Notes forming part of Consolidated 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 2021 are repayable as stated blow

	1-2 years	2-3 years	3-5 years	Total
Floating				
Monthly	14,663	967	-	15,630
Quarterly	9,366	3,839	-	13,205
Bullet Payment	32,000	-	10,000	42,000
Fixed				
Monthly	1,875	1,875	1,875	5,625
Bullet Payment	4,000	20,000	35,000	59,000
Total	61,904	26,681	46,875	1,35,460

Loan as on 31 March 2020 are repayable 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
Bullet Payment	-	42,000	-	42,000
Fixed				
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

ORIX Auto Infrastructure Services Limited
Notes forming part of Consolidated financial statements (Continued)
 (All amounts are in INR Lakhs, except as stated)
Note - 47

Change in liabilities arising from financing activities

Particulars	01 April 2020	Cash Flows	31 March 2021
Long term borrowing	73,938	(20,658)	53,280
Short term borrowing	28,384	(14,674)	13,710
Cash credit	(0)	-	(0)
Book overdraft	169	(102)	67
Finance cost	-	(6,071)	-
ECB Borrowing	-	10,000	10,000
Non Convertible Debenture	22,000	(20,000)	2,000
Lease Liability on principal component	144	(435)	(291)
Lease liability Interest portion	(19)	(53)	(72)
Loans and advances from related party	672	330	1,002
Total	1,25,288	(51,663)	79,696

Particulars	01 April 2019	Cash Flows	31 March 2020
Long term borrowing	97,520	(23,582)	73,938
Short term borrowing	(498)	28,882	28,384
Cash credit	8,880	(8,880)	(0)
Book overdraft	120	49	169
Finance cost	-	(7,764)	-
ECB Borrowing	-	15,000	15,000
Non Convertible Debenture	22,000	-	22,000
Lease Liability on principal component	414	(270)	144
Lease liability Interest portion	-	(19)	(19)
Loans and advances from related party	951	(279)	672
Total	1,29,386	3,136	1,40,288

Note - 48 Previous year numbers are regrouped / reclassified to confirm to current year's presentation.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**KAPIL
VINODKUMAR
R GOENKA**
 Digitally signed by
 KAPIL VINODKUMAR
 GOENKA
 Date: 2021.07.29
 20:31:10 +05'30'

Kapil Goenka

Partner

Membership No: 118189

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

**Sandeep
Gambhir**
 Digitally signed by Sandeep
 Gambhir
 DN: cn=Sandeep Gambhir,
 o=ORIX Auto Infrastructure
 Services Ltd., ou=ORIX Auto
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 email=sandeep.gambhir@orix
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Sandeep Gambhir

Managing Director & CEO

(DIN - 00083116)

**RYOHEI
SUZUKI**
 Digitally signed
 by RYOHEI
 SUZUKI
 Date: 2021.07.29
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Ryohei Suzuki

Director

(DIN - 08218888)

**VIVEK
WADHERA**
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Vivek Wadhera

CFO

**GANDHI
JAY
NIRANJAN**
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 NIRANJAN
 Date: 2021.07.29
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Jay Gandhi

Company Secretary

Mumbai
29 July 2021