



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

Annual Report
2021 - 2022

**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

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Tel: +91 22 6707 0100 • Fax: +91 22 2652 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 Yamasaki	:	DIN 09238975	:	Director
Mr. Takehiro Onishi	:	DIN 09019630	:	Director
Mr. Shin Hamada	:	DIN 09100127	:	Director
Ms. Meeta Sanghvi	:	DIN 08065804	:	Director

Statutory Auditors:

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants

Secretarial Auditors:

M/s. BNP & Associates, Practicing Company Secretaries

Registered Office:

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

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

Bankers :

1. Bank of Baroda
2. DBS Bank
3. Central Bank of India
4. Bank of India
5. Union Bank of India
6. Credit Agricole Corporate & Investment Bank
7. Deutsche Bank AG
8. HDFC Bank
9. ICICI Bank
10. IDBI BANK
11. Kotak Mahindra Bank
12. Mizuho Bank
13. MUFG Bank
14. The Federal Bank

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DIRECTORS' REPORT

The Members, ORIX Auto Infrastructure Services Limited

Your Directors are pleased to present the Twenty Seventh Annual Report on the business and operations of your Company together with the audited accounts for the financial year ended March 31, 2022.

(1) Financial Performance:

A summary of the Financial Performance of the Company both on standalone and consolidated basis, for the Financial Year 2021-2022 as compared to previous Financial year 2020-2021 is given below:

(Rs. in Lakhs)					
Particulars		Standalone		Consolidated	
		FY 2021-2022	FY 2020-2021	FY 2021-2022	FY 2020-2021
Gross Income	:	51,990	46,933	77,045	80,086
Profit/(loss) before interest, depreciation and taxation	:	25,910	24,382	39,610	46,589
Financial charges	:	5,452	6,156	17,159	20,828
Depreciation	:	21,263	22,403	22,159	23,351
Profit / (Loss) Before Tax	:	(804)	(4,177)	292	2,411
Profit from discontinuing operations	:	-	-	-	-
Provision for tax:	:				
Current Tax	:	31	-	1,313	2947
MAT credit of earlier year utilised / expensed	:	-	-		-
Deferred Tax	:	(48)	(1040)	(596)	(2,243)
Income Tax relating to previous year	:	(75)	-	(1,162)	-
Profit/(Loss) After Tax	:	(712)	(3137)	737	1707
Profit / (Loss) For The Year (After Adjustment For Minority Interest)	:	-	-	-	-
Balance brought forward from previous year	:	(1,568)	1569	15,739	14,984
Transferred to Reserve Fund	:	-	-	(277)	(952)
Adjustment in Profit / (Loss)	:	-	-	-	-
Balance Carried Forward	:	(2,279)	(1568)	16,199	15,739

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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, 2022 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 2021-22.

(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 was much more intense and severe and had pushed the country into another lockdown in Q1 2022. While the Company had seen good recovery in pockets, some of its businesses continue to stay impacted even presently. While the Company had seen a strong rebound in demand on its Leasing Business, unfortunately the transportation businesses still have not been able to register a strong rebound. It is expected that normalcy is likely to come back by the end of Qtr 2 of the next financial year for the transportation businesses as they are heavily dependent on Corporates opening up ie moving away from a Work From Home scenario and business travel resuming. While the Company had seen personal and leisure travel come back and that has helped the Self Drive business to grow steadily, it still remains a small part of its overall revenue and hence its critical for the Corporate travel to resume, which is only expected by end of Quarter 2 of the next financial year.

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

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pandemic and we feel confident that the organization will bounce back and will be on the road to recovery sooner rather than later.

With the economy opening up and with a relatively low impact of the subsequent covid 19 waves, the Company feels that the next few quarters would help it tide the slowdown witnessed during the last year and the future holds a lot of promise as we see it today

(5) **Credit Rating:**

The India Ratings & Research Private Limited (FITCH) has assigned ratings for the various facilities availed by the Company vide letter dated August 04, 2021, details of which are given below:

Facility	India Ratings & Research Private Limited (FITCH)	Amount (Rs. in mn)
Long Term Loan	IND AAA Term	5,964
Short Term Limits	IND A1+	8,555
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 3,000 million through term loans from Banks. Interest payment or principal repayment of the term loans due as on March 31, 2022 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, 2022, Total Debt stood at Rs.8,639 mn (Rs. 7,406 mn as of March 31, 2021). Total Debt includes Short Term Loans and Long Term loans including term loans maturing within 12 months of the balance sheet date amounting to Rs. 1,633 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

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Thousand Nine Hundred Eighty only) divided into 127,996,498 (One Hundred Twenty Seven Million Nine Hundred Ninety-Six Thousand Four Hundred Ninety Eight) Equity Shares of Rs.10/- each.

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 vide their certificate dated July 29, 2022 had certify that the Company is in compliance with the Regulations as regards to downstream investment and other FEMA prescriptions.

(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. It 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 then prevailing 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 FY 2019-20. The Board of Directors of the OAI had approved for merger of the OHFC into OAI in their meeting held on March 22, 2022, subject to approval of shareholders, creditors and Ministry of Corporate Affairs. Accordingly, OAI and OHFC are in the process of merger.

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, 2022, 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 2021-2022 as compared to previous Financial year 2020-2021 for OLFS are as under:

(Rs. in Lakhs)

Particulars		2021-2022	2020-2021
Gross Income	:	25,732	33,802
Profit/(loss) before interest, depreciation and taxation	:	13708	22191
Financial charges	:	11.800	14,767
Depreciation	:	897	947
Profit/(Loss) before tax	:	1.012	6,477
Provision for tax:			
Current Tax	:	1,261	2,918
Deferred Tax	:	-554	(1,203)
Income Tax relating to previous year	:	-1080	-
Profit/(Loss) after tax	:	1,386	4,762
Transferred to Reserve Fund	:	277	952
Balance Carried forward	:	18,200	17,090

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The broad highlights for FY 2021-2022 as compared to previous Financial year 2020-2021 for OHFC are as under:

(Rs.in Lakhs)

Particulars		FY: 2021-2022	FY: 2020-2021
Gross Income	:	88.67	116.29
Profit/(loss) before interest, depreciation and taxation	:	84.86	109.50
Financial charges	:	0	0
Depreciation	:	0	0
Profit/(Loss) before tax	:	84.86	109.50
Less: Taxation expenses		21.87	28.35
Profit/(Loss) after tax	:	62.99	81.15
Balance brought forward from previous year		224.18	143.03
Transferred to Reserve Fund	:	0	0
Adjustment in Profit/ (Loss)	:	0	0
Balance Carried forward	:	287.17	224.18

(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 and Statutory Audit Report: Pursuant to the provisions of Sections 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s. S.R. Batliboi & Associates LLP, Chartered Accountant (Registration No. 101049W/E300004), had been appointed as Statutory Auditors of the Company in the Twenty Sixth Annual General Meeting of the Company held on September 28, 2021, for the period of five years i.e. to hold office from the conclusion of Twenty Sixth AGM until the conclusion of the Thirty-First AGM of the Company to be held in the year 2026.

The Statutory Auditors have given a confirmation to the effect that they are eligible for appointment and that they have not been disqualified in any manner from appointment as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

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The observations made by the Auditors' in their report for the financial year ended March 31, 2022 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, 2022.

- II. Secretarial Auditor: Pursuant to the provisions of Section 204 of the Act, the Board of Directors at its meeting held on March 22, 2022 had appointed M/s. BNP & Associates, Practicing Company Secretaries, as the Secretarial Auditor of the Company to conduct the secretarial audit of the Company for the Financial Year 2021 - 2022.

There are no qualifications, reservations, adverse remarks or disclaimer made by the Secretarial Auditor in their report for the financial year ended March 31, 2022. 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 - O AIS: Reports & Filings (orixindia.com)'.
- II. Disclosure as per Section 197(12) of the Act read with Rule 5(2) 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 Policy on Related Party Transactions of the Company as approved by the Board is available on the Company's website at the web-link Microsoft Word - Related Party Transaction Policy - O AIS-31.07.2020 (orixindia.com). The Policy governs the following:

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- (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';
- (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 ("Policy"). During the year under review, the Board of Directors based on the recommendation of the NRC, approved and adopted the revised Policy. The said Policy is available on the website of the Company at Microsoft Word - Nomination and Remuneration Policy - 14-5-15 - OAS (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)

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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.

II. Technology Absorption:

Not Applicable

III. Foreign Exchange Earnings and Outgo:

There is foreign exchange outgo of Rs. 131.29 mn during the financial year under review.

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

- I. On recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors, at its meeting held on November 04, 2020, appointed Mr. Takashi Nakayama (DIN 08768983) as an Additional Non-Executive Director of the Company with effect from November 04, 2020. The Members of the Company in their 28th Extra-Ordinary General Meeting held on April 30, 2021, approved his appointment as Director of the Company.

However, in the view of organizational changes at ORIX Corporation (Japan), the Holding Company, Mr. Takashi Nakayama (DIN 08768983) Director had resigned from the Board of Directors of the Company with effect from July 29, 2021.

The Board placed on record its sincere appreciation for the valuable contribution and services rendered by Mr. Takashi Nakayama as Director of the Company.

- II. 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. The Members of the Company in their 28th Extra-Ordinary General Meeting held on April 30, 2021, approved his appointment as Director of the Company.
- III. 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 Director of the Company with effect from March 31, 2021. The Members of the Company in their 28th Extra-Ordinary General Meeting held on April 30, 2021, approved his appointment as Director of the Company.
- IV. 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,

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2021 until March 31, 2024. The Members of the Company in their 28th Extra-Ordinary General Meeting held on April 30, 2021, approved his re-appointment as Managing Director of the Company for the period commencing from April 01, 2021 until March 31, 2024.

- V. On recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors, at its meeting held on July 29, 2021, appointed Mr. Takashi Yamasaki (DIN: 09238975) as an Additional Non-Executive Director of the Company with effect from July 29, 2021. The Members of the Company in their 26th Annual General Meeting held on September 28, 2021, approved his appointment as Director of the Company.

Further on recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors, at its meeting held on May 02, 2022, appointed Mr. Takashi Yamasaki (DIN: 09238975) as Whole-time Director of the Company for the period April 25, 2022 until April 18, 2025, subject to approval of the Members of the Company and Central Government.

- VI. On recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors, at its meeting held on September 03, 2021, appointed Mr. Ryohei Suzuki (DIN 08218888) as Whole-time Director of the Company for the period September 03, 2021 until July 29, 2023, subject to approval of the Members of the Company and Central Government. The Members of the Company in their 26th Annual General Meeting held on September 28, 2021, approved his appointment as Whole-time Director of the Company for the period September 03, 2021 until July 29, 2023, subject to approval of Central Government. An application was made to Central Government for his appointment as Whole-time Director for the aforementioned period, which is pending with the Central Government for its approval.

- VII. Mr. Sandeep Gambhir (DIN 00083116), Managing Director and Chief Executive Officer, Mr. Ryohei Suzuki, (DIN 08218888) Whole-Time Director, Mr. Vivek Wadhera, 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. Takehiro Onishi (DIN 09019630) 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 Companies Act, 2013. The functioning of Vigil Mechanism is reviewed by the Audit Committee from time to time. The Whistle

ORIX Auto Infrastructure Services Limited

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Blower Policy is uploaded on the Company's website at the web-link [Microsoft Word - Whistle Blower Policy-04.11.2020-OAIS \(orixindia.com\)](#). Compliance awareness messages are sent on weekly basis by the Compliance function to all employees of the Company. During the year under review the Company had not received any complaint in the form of whistle blower under the Whistle Blower Policy of the Company.

(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 per the provisions of Section 135(5) of the Companies Act, 2013, the average net profit of the Company for the immediately preceding three financial years was Negative and hence the Company was not required to contribute funds towards CSR activities for FY 2021-22. The same was noted by the Board of Directors in their meeting held on November 25, 2021.

The annual report on CSR in compliance with Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed 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 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.

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ORIX Corporation (ORIX), the Holding Company is listed on New York Stock Exchange (NYSE) and is required to comply with Sarbanes-Oxley (“SOX”) Act, 2002 as a foreign private issuer. The Company being indirect subsidiary of ORIX was subject to SOX Audit to ascertain Entity Level Control (“ELC”) from financial year 2021-22 and onwards.

In view of the above, SOX testing was conducted for financial year 2021-2022 by the consulting firm, PROTIVITI (Japan), appointed by Global Internal Audit Department, ORIX. PROTIVITI (Japan) along with its Indian Entity PROTIVITI (India) conducted ELC testing of the Company and submitted its results to ORIX and the Company.

The results of the SOX Audit were placed before the Audit Committee of the Company.

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

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

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

Details of Loans, Guarantees and Investments governed under the provisions of Section 186 of the Act are given under 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 of Sexual Harassment at Workplace' ("Policy") in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") 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, no complaint was received under the above Act and 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:

- (1) that in preparation of the annual accounts for the financial year ended March 31, 2022, 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, 2022 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;

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- (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 they be notified by them from time to time.

(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, 2022) and the date of the Report. However, ORIX Housing Finance Corporation India Ltd., the Wholly-owned Subsidiary of the Company is in process of Merger with the Company. The resolution for merger was approved by the Board of Directors in their meeting held on March 22, 2022.

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(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**

SANDEEP
GAMBHIR
Digitally signed
by SANDEEP
GAMBHIR
Date: 2022.07.29
15:31:07 +05'30'

Sandeep Gambhir
Managing Director and CEO
DIN: 00083116

TAKASHI
YAMASAKI
Digitally signed
by TAKASHI
YAMASAKI
Date: 2022.07.29
15:59:13 +05'30'

KI
Takashi Yamasaki
Director
DIN: 09238975

Place: Mumbai
Date : July 29, 2022

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 -I

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.in Lakhs)	10,094
(4)	Reserves & Surplus (Rs.in Lakhs)	53,134
(5)	Total Assets (Rs.in Lakhs)	2,38,209
(6)	Total Liabilities (Rs.in Lakhs)	2,38,209
(7)	Investments	-
(8)	Turnover (Rs.in Lakhs)	25,732
(9)	Profit before Taxation (Rs.in Lakhs)	1,012
(10)	Provision for taxation (Rs.in Lakhs)	(374)
(11)	Profit after Taxation (Rs.in Lakhs)	1,386
(12)	Proposed dividend (Rs.in Lakhs)	-
(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.in Lakhs)	2,000
(4)	Reserves & Surplus (Rs.in Lakhs)	287
(5)	Total Assets (Rs.in Lakhs)	2,348
(6)	Total Liabilities (Rs.in Lakhs)	61
(7)	Investments	-
(8)	Turnover (Rs.in Lakhs)	89
(9)	Profit before Taxation (Rs.in Lakhs)	85
(10)	Provision for taxation (Rs.in Lakhs)	22
(11)	Profit after Taxation (Rs.in Lakhs)	63
(12)	Proposed dividend (Rs.in Lakhs)	-
(13)	Percentage of Shareholding	100%

Notes :

- Names of subsidiaries which are yet to be commence operations : ORIX Housing Finance Corporation India Limited ("OHFC"). However, is in process of Merger with ORIX Auto Infrastructure Services Limited, its holding Company.

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

Part "B" – Associates and Joint Ventures - None

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

Digitally signed
SANDEEP by SANDEEP
GAMBHIR GAMBHIR
Date: 2022.07.29
15:32:32 +05'30'

Sandeep Gambhir
Managing Director and CEO
DIN: 00083116

Digitally signed by
VIVEK VIVEK WADHERA
WADHERA
Date: 2022.07.29
15:37:24 +05'30'

Vivek Wadhera
Chief Financial Officer

Digitally signed by
TAKASHI TAKASHI
YAMASAKI YAMASAKI
Date: 2022.07.29
15:59:49 +05'30'

Takashi Yamasaki
Director
DIN: 09238975

Digitally signed by
JAY JAY NIRANJAN
NIRANJAN GANDHI
GANDHI
Date: 2022.07.29
15:38:19 +05'30'

Jay Gandhi
Company Secretary

Place: Mumbai
Date: July 29, 2022

Annexure B

**Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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
Registered Office
Plot No. 94, Marol Co-operative Industrial Estate
Andheri Kurla Road, Andheri East,
Mumbai- 400059

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, 2022 ('the audit period' / "review period" / "period under review").

We conducted the Secretarial Audit in a manner that provided us with 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 actions taken by the Company during the audit period as well as before the date of issue of this report;
- (ii) **Compliance Certificates** confirming compliance with all laws applicable to the Company provided by the 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 the Secretarial Audit.

We hereby report that in our opinion, during the audit period, the Company has:

- (i) Complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanism is in place to the extent, in the manner and subject to the reporting made hereinafter.



I. 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 audit period according to the applicable provisions/clauses of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (to the extent applicable);
- vi. Secretarial Standards (1 and 2) issued by The Institute of Company Secretaries of India (Secretarial Standards) which have mandatory application under the law and are respectively in relation to the conduct of meetings of the Board and its Committees and the General meetings of the members of the Company

1.2 During the period under review, and also considering the compliance related action taken by the Company after 31st March, 2022 but before the date of 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:

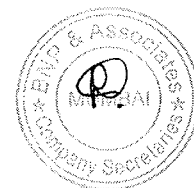
- (i) **Complied with** the provisions of the Act, Rules, Regulations, Guidelines and Standards as mentioned above
- (ii) **Complied with** the applicable provisions/clauses of:
 - (a) The Act and rules mentioned under paragraph 1.1 (i); and
 - (b) The Secretarial Standard on meetings of the Board of Directors (SS-1) and Secretarial Standard 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, the 26th Annual General Meeting of the members held on 28th September, 2021 and the Extra-Ordinary General Meeting held on April 30, 2021 except in respect of few meetings of Board of Directors and its Committees thereof, for which: -
 - i. Draft Minutes were circulated to all the Directors beyond the prescribed time limit of 15 days from the date of conclusion of the meeting.
 - ii. Minutes are entered in the Minutes book beyond the prescribed time limit of 30 days from the date of conclusion of the meeting.
 - iii. Signed Minutes have been circulated to all the Directors beyond the prescribed time limit of 15 days from the date of signing the minutes.



- (c) The Compliance with the provisions under the Act and the relevant Rules thereunder [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 such meetings as provided by the Company.
- (d) During the period under review, the Company has resolved and closed 02 (two) complaints under its Whistle Blower (WB) mechanism which were received in May, 2020 and November, 2020 and 01 (one) complaint which was received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 in February 2021; further no new complaints were received under WB Mechanism and no other case of Sexual Harassment was reported by the Company during the review period.

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, 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 and Sweat Equity) Regulations, 2021;
- vi. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- viii. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
- ix. Foreign Exchange Management Act, 1999 and the Rules and Regulations made hereunder 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, 2022 comprised of:

- (a) One Chairman,
- (b) One Managing Director and CEO,
- (c) One Whole Time Director,
- (d) Four Non-Executive Non-Independent Directors (Including One Woman Director), 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 under review and until the date of this report were carried out in compliance with the provisions of the Act:

(i) Re-appointment of Mr. Sandeep Gambhir (DIN: 00083116) as the Managing Director for the period commencing from April 1, 2021 and ending on March 31, 2024, at the 28th Extra-Ordinary General Meeting of the Company, held on 30th April, 2021.

(ii) Appointment of Mr. Takashi Nakayama (DIN: 08768983) as a Director of the Company, at the 28th Extra-Ordinary General Meeting of the Company, held on 30th April, 2021.

(iii) Appointment of Mr. Takehiro Onishi (DIN: 09019630) as a Director of the Company, at the 28th Extra-Ordinary General Meeting of the Company, held on 30th April, 2021.

(iv) Appointment of Mr. Shin Hamada (DIN: 09100127) as a Director of the Company, at the 28th Extra-Ordinary General Meeting of the Company, held on 30th April, 2021.

(v) Resignation of Mr. Takashi Nakayama (DIN: 08768983) as a Director of the Company w.e.f. July 29, 2021.

(vi) Appointment of Mr. Takashi Yamasaki (DIN: 09238975) as an Additional Director of the Company, at the meeting of the Board of Directors of the Company held on 29th July, 2021 and the subsequent regularization and approval of his appointment at the 26th Annual General Meeting of the Company, held on 28th September, 2021.

(vii) Re-appointment of Mr. Yoshiaki Matsuoka (DIN: 08141800) as a Director of the Company, liable to retire by rotation, at the 26th Annual General Meeting of the Company, held on 28th September, 2021.

(viii) Appointment of Mr. Ryohei Suzuki (DIN: 08218888) as Whole-Time Director of the Company for the period commencing from September 03, 2021 and ending on July 29, 2023, at the 26th Annual General Meeting of the Company, held on 28th September, 2021, is subject to the approval of the Central Government in accordance with the requirements of Section 196 of the Act read with Part I of Schedule V of the Act. The Central Government's approval is still awaited and the Company has followed up for the approval.



(ix) Resignation of Mr. Ryohei Suzuki (DIN: 08218888) as Whole-Time Director of the Company w.e.f. May 05, 2022. The Company has ensured the necessary filings in this regard and has also informed the Central Govt. about the above resignation.

(x) Appointment of Mr. Takashi Yamasaki (DIN: 09238975) as Whole-Time Director of the Company for the period commencing from April 25, 2022 until April 18, 2025, at the 29th Extra-Ordinary General Meeting of the Company, held on 22nd July, 2022 is subject to the approval of the Central Government in accordance with the requirements of Section 196 of the Act read with Part I of Schedule V of the Act.

2.3 Adequate notices of the meetings of the Board and its Committees were sent to all the directors to enable them to plan their schedule for the meetings of the Board and its Committees, at least seven days in advance except for few meetings which were convened at a shorter notice with the consent of the Board to transact urgent business, at which at least one independent director was present as required under Section 173(3) of the Act and SS-1.

2.4 Agenda and detailed notes on agenda were sent to the directors at least seven days before the meetings of the Board and its Committees, other than in respect of few meetings which were convened at a shorter notice to transact urgent business, and necessary compliance as required under Section 173(3) of the Act and SS-1 was in place.

2.5 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.

2.6 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.

2.7 We note from the minutes verified that, at the Board meetings held during the year:

- (i) Decisions were made by the Board unanimously; 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. The shareholders of the Company, at their 28th Extra-Ordinary General Meeting, held on April 30, 2021, have approved, by way of a Special Resolution the alteration in Articles of Association of the Company and have adopted a new set of Articles of Association.
2. The Board of Directors at its meeting held on 22nd March, 2022, approved the Scheme of Merger of ORIX Housing Finance Corporation India Limited ("Transferor Company/OHFC") with the Company, ORIX Auto Infrastructure Services Limited ("Transferee Company/OAIS"), having an appointed date for the said Scheme of Amalgamation as April 01, 2022. Further the Company has received the approval from Ministry of Corporate Affairs on the said Scheme of Merger through approval mail dated 04th May, 2022 and the Company has accordingly sought the approval from other Regulatory authorities.



**Kavita
Dipesh
Shah**

Digitally signed
by Kavita Dipesh
Shah
Date: 2022.07.29
15:20:59 +05'30'

Kavita D Shah

Associate Partner

ACS 50804/COP No. 20796

UDIN: A050804D000695791

For BNP & Associate

Company Secretaries

[Firm Regn. No. P2014MH037400]

PR No.:- 637/2019

Date: 29th July, 2022

Place: Mumbai

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

Annexure A

To,
The Members
ORIX Auto Infrastructure Services Limited
Registered Office
Plot No. 94, Marol Co-operative Industrial Estate
Andheri Kurla Road, Andheri East,
Mumbai- 400059

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.



Kavita
Dipesh Shah

Digitally signed by
Kavita Dipesh Shah
Date: 2022.07.29
15:21:20 +05'30'

Kavita D Shah
Associate Partner
ACS 50804/COP No. 20796
UDIN: A050804D000695791
For BNP & Associate
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No.:- 637/2019

Date: 29th July, 2022
Place: Mumbai

ORIX Auto Infrastructure Services Limited

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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
Mr. Sandeep Gambhir	Managing Director and Chief Executive Officer	2,43,97,312	Full Time Employment	B.Com. CA, Cost Accountant 24 Years of experience	8-Jan-13	49 years	Barclays Investment & Loans (India) Limited	*1 share jointly with ORIX Corporation	Nil
Mr. Vivek Wadhwa	Chief Financial Officer	1,87,94,346	Full Time Employment	B.Com. CA, 22 Years of experience	9-Apr-13	45 years	Barclays Bank plc	*1 share jointly with ORIX Corporation	Nil
Mr. Pankaj Jain	Executive Vice President	1,32,58,150	Full Time Employment	B.Com. PGDBA, 30 Years of experience	30-Sep-09	54 years	Carzonrent (India) Pvt. Ltd.	*1 share jointly with ORIX Corporation	Nil
Mr. PN Subramanian	Executive Vice President	1,02,22,547	Full Time Employment	B.COM, PG Diploma in Marketing, Master In Marketing 33 Years of experience	18-Dec-2006	57 years	General Motors India Pvt Ltd.	-	Nil
Mr. Harvinder Gandhi	Executive Vice President	1,53,55,720	Full Time Employment	B.E, Strategic Management Course, 28 Years of experience	03-Feb-20	53 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. 40).
(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,	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

Policy relating to Appointment and Removal of Director, Key Managerial Personnel (“KMP”), Senior Managerial Personnel (“SMP”) and Senior Accounting Officer (“SAO”)

The Committee will strive to ensure the continuance of a dynamic and forward-thinking Board and recommend to the Board qualified candidates for directorship.

(I) Appointment/Nomination criteria and qualification:

(1) Director and KMP:

- (a) Criteria: The Committee shall identify and ascertain the integrity, expertise and experience of the person for appointment as Director and KMP and recommend to the Board for his / her appointment. Appointment of Director and KMP (MD and CEO; and CFO) has to be pre-approved by ORIX Corporation, before approaching the Committee
- (b) Qualification: A person should possess adequate qualification for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

(2) Senior Management Personnel:

The Managing Director and CEO in consultation with Human Resource Department shall identify and appoint SMP (other than KMP) based on his/her qualification, expertise and experience for the concerned position or level.

(3) Senior Accounting Officer:

The Committee to identify the persons who is qualified to become SAO and approve his appointment. Appointment of SAO has to be pre-approved by ORIX Corporation, before approaching the Committee.

(II) Term/Tenure:

(a) Managing Director/Whole-time Director:

- (a) The Company shall appoint or re-appoint any person as its, Managing Director or Whole-time 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.

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- (b) 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 under the Act based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Provided further that where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the company, the appointment of the person who has attained the age of seventy years may be made.

(b) Independent Director:

(a) Appointment:

Appointment of Independent Director shall have to be recommended by the Committee to the Board of Directors for seeking its approval, However, prior approval of ORIX Corporation shall be necessary before approaching Committee.

(b) Term:

- (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 as per the criteria laid down by the Act and Regulations as amended from time to time.
- (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.

(c) Compliance with the criteria of Independence as prescribed under Section 149 of the Act and other applicable laws, if any including:

- (i) Commitment to abide by the Code for Independent Director(s) as prescribed under the Act.
- (ii) Person(s) proposed to be appointed as Independent Director(s) shall provide a declaration affirming compliance with the criteria of independence as set forth in the Act, Rules made thereunder and other application laws, if any.

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- (iii) Existing Independent Directors on the Board of the Company shall provide signed declaration with respect to compliance with the criteria of Independence as set forth in the Act and other application laws, if any, on annual basis, confirming no impairment to the status of independence.
- (iv) The Committee shall scrutinize the declarations affirming compliance with the criteria of independence, as mentioned herein above, received from proposed / existing Independent Director(s).

(III) Performance Evaluation of the Board of the Company, Committees of the Board and Directors:

- (1) The Committee shall carry out evaluation of performance of the Board of the Company, Committees of Board and individual Directors of the Company at regular interval (yearly).
- (2) Performance Evaluation of Independent Directors shall be done by the entire Board of Directors as per the applicable provisions of the Act.

Note: In the above evaluation, the directors who are subject to evaluation shall not participate.

(IV) Retirement:

The Director, KMP, SMP and SAO shall retire as per the applicable provisions of the Act or under the Regulations and the prevailing HR policy of the Company, as the case may be. The Board will have the discretion to retain the Director and KMP, in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to compliance of Regulations, if any, and prevailing HR Policy of the Company, as the case may be. Further, the Managing Director and CEO will have the discretion to retain the SMP in the same position/remuneration after attaining the retirement age.

(V) Removal:

Due to reasons for any disqualification mentioned in the Act or Regulations or breach of Company's prevailing HR policy of the Company or violations of Code of Conduct, the Director, KMP, SMP and SAO may be removed as per the procedure stated below:

(1) Director including External Director:

The Committee to recommend to the Board of Directors for removal of Director. However, prior approval of ORIX Corporation, shall have to be obtained before approaching the Committee.

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(2) KMP:

The Committee to recommend to the Board of Directors for removal of KMP. However, for removal of KMP who MD and CEO are; and CFO, prior approval of ORIX Corporation shall have to be obtained before approaching the Committee.

(3) SMP

Managing Director of the Company shall decide removal of SMP, other than KMP of the Company.

(4) SAO

The Committee to approve the removal of SAO, however prior approval of ORIX Corporation shall be necessary.

Policy relating to the Remuneration for the Whole-time Director, KMP, SMP, SAO and other employees

(1) **Remuneration and payment of incentives to Managing Director/Whole Time Director:**

(1) Fixed pay:

The Managing Director/Whole-time Director 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 provident fund, 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.

(2) 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 the Act, Schedule V of the Act and with the approval of the Central Government, if and to the extent required.

(3) Incentives:

Incentive of MD shall be determined by ORIX Corporation as per the contract executed by the Company with MD and shall be approved by the Committee.

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(4) Other Provisions:

- (a) The remuneration / compensation / commission etc. to the Whole-time Director, will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and also subject to the approval of Central Government, wherever required as per the law.
- (b) The remuneration / compensation / commission etc. to the Managing Director, shall be as per the contract executed by the Managing Director with the Company. The terms and conditions of the appointment to be incorporated in the contract shall have to be reviewed by the Committee and recommend to the Board for seeking approval of shareholders which shall be subject to the approval of the Central Government, wherever required as per the law.
- (c) The remuneration and commission to be paid to the Whole-time Director including Managing Director and CEO shall be in accordance with the percentage / slabs / conditions as per the provisions of the Act, Regulations as amended from time to time, or as approved by the shareholders of the Company as deemed appropriate by the Committee.
- (d) Increments to the existing remuneration / compensation structure of Whole-time Director, Managing Director and CEO shall be approved by the Committee or the Board, as the case may be.

(2) Insurance Premium

Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Managing Director, SMPs or KMPs 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.

The Company shall take Director and Officer Liability Insurance Policy on an annual basis.

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

(i) 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 and in line with the applicable provisions of the Act.

(ii) Commission:

Commission may be paid within the monetary limit approved by the Board of Directors and shareholders, subject to the limit / slabs and conditions mentioned in the Regulations and as per the Act, as amended from time to time.

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(4) Performance Evaluation and Remuneration of KMP and SMP:

- (1) The performance evaluation of KMP (other than Managing Director/Whole Time Director) and SMP shall be done as per the prevailing Human Resource Policy and based on the criteria approved by the Committee from time to time, in consultation with the Managing Director and CEO of the Company.
- (2) The remuneration determined for the KMP and SMP shall be in line with the Company's philosophy to provide fair compensation to key-executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instil a long-term commitment to the Company, and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

(5) Performance Evaluation and Remuneration of SAO:

The Managing Director shall carry out the performance evaluation of Senior Accounting Officer (SAO) which includes promotion and also approve payment of remuneration and incentives with the prior approval of ORIX Corporation.

(6) Remuneration of other employees (other than KMP and SMP):

The Company considers it essential to incentivize the workforce to ensure adequate and reasonable compensation to the staff. The Human Resources Department shall ensure that the level of remuneration motivates and rewards high performers who perform according to set expectations in their respective domain.

The various remuneration components, basic salary, allowances and perquisites may be combined to ensure an appropriate and balanced remuneration package.

The annual increments in the remuneration paid to employees shall be determined based on the annual appraisal carried out by Head of various Department basis of the role and position of the individual employee, achievement of performance in line with goals and targets set, professional experience, responsibility, job complexity and local market conditions in competitive environment as well as prevailing HR Policy. The Managing Director of the Company shall approve the annual increment/incentives to be paid to such employees.

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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:- 2021–2022, the meetings of the Board of Directors were held on July 29, 2021, September 03, 2021, November 25, 2021 and March 22, 2022. At least one meeting was held in every quarter and the time gap between any two meetings was less than 120 days.

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, 2022 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
(3)	Mr. Ryohei Suzuki, Director	4	Yes
(4)	Mr. Abhay Kakkar, Independent Director	4	Yes
(5)	Mr. Nagesh Dubey, Independent Director	4	Yes
(6)	Ms. Meeta Sanghvi, Director	4	Yes
(7)	Mr. Takehiro Onishi, Director	4	Yes

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(8)	Mr. Shin Hamada, Director	4	Yes
(9)	Mr. Takashi Yamasaki, Director	4	Yes
(10)	Mr. Takashi Nakayama, Director	Not Applicable	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. Takehiro Onishi - Chairman Mr. Nagesh Dubey Mr. Abhay Kakkar
(2)	Nomination and Remuneration Committee (NRC)	Mr. Takehiro Onishi Mr. Abhay Kakkar Mr. Nagesh Dubey *Mr. Takashi Yamasaki
(3)	Treasury and Asset Liability Management Committee	*Mr. Takashi Yamasaki - Chairman Mr. Sandeep Gambhir Mr. Takehiro Onishi
(4)	Executive Committee	Mr. Takehiro Onishi Mr. Sandeep Gambhir *Mr. Takashi Yamasaki
(5)	Risk Management Committee	*Mr. Takashi Yamasaki - Chairman Mr. Sandeep Gambhir Mr. Takehiro Onishi
(6)	Corporate Social Responsibility (CSR) Committee	*Mr. Takashi Yamasaki – Chairman Mr. Sandeep Gambhir Mr. Abhay Kakkar

* Mr. Takashi Yamasaki was appointed in place of Mr. Ryohei Suzuki as Member/Chairman of the above Committees vide resolution passed by Board of Directors in their meeting held on May 02, 2022

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(II) Powers of the Committees:

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

(a) Financial Reporting:

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

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- 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;

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

The Committee shall:

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

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auditor's independence and objectivity;

- (vi) evaluate the risks to the quality and effectiveness of the financial reporting process in the light of the external auditor's communications with the Committee;
- (vii) meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and, at least once a year, meet with the external auditor without management being present, to discuss the auditor's remit and any issues arising from the audit;
- (viii) discuss with the external auditor the factors that could affect audit quality and review and approve the annual audit plan, ensuring it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;
- (ix) review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
 - a discussion of any major issues which arose during the audit;
 - key accounting and audit judgements;
 - the auditor's view of their interactions with senior management; and
 - levels of errors identified during the audit;
- (x) review the management letter and management's response to the auditor's findings and recommendations.
- (xi) review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee.
- (xii) Discusses problems and reservations arising from the interim and/or the final audits (full or limited review) and any matters the statutory auditor may wish to discuss so as to ascertain quality and veracity of Company's accounts.

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(c) **Internal Control:**

- (i) keep under review the company's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems including information technology security and control; and
- (ii) Understand the scope of internal and external auditors' review of internal control over financial reporting and obtain reports from significant findings and recommendation, together with management's responses.
- (iii) review and approve the statements to be included in the annual report concerning internal control, risk management
- (iv) Review the report of auditor on internal control over financial reporting and recommend to the Board of Director for its approval

(d) **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;

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- (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:
 - discuss any issues arising from the audit and also effectiveness of the function; or
 - 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 internal audit function; and as part of this assessment:
 - determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business; and
 - review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function;
- (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):
 - Ensure that Internal Audit activity has QA&IP;
 - Review the results of the independent external quality assurance.
 - Review and monitor the implementation of the internal audit activity's action plans to address any recommendations; and
 - 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.

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- (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.

(e) **Tax Auditors :**

The committee shall:

- (i) consider and make recommendations to the board, in relation to the appointment, re-appointment and removal of the company's Tax Auditor;
- (ii) approve remuneration of Tax Auditor
- (iii) review the findings of the audit with the Tax Auditor. This shall include but not be limited to, the following:
 - discussion of any major issues which arose during the audit; and
 - review Tax Audit Report

(f) **Compliance :**

- (i) Review 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

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fraud and illegal acts are adequate so as to ensure all major cases of fraud/illegal acts are reported to Audit Committee

(g) **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.

(h) **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

(i) **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.

(j) **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:

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(iii) The legal dispute is for JPY100 Mn and more, regardless OAIS's/OLFS's position as plaintiff or defendant.

(iv) 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.

(k) **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.

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

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

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

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

(d) To recommend to the Board of Directors about remuneration of Directors including Managing Director.

(e) To lay down criteria in relation to appointment and removal of Directors and KMP.

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- (f) 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 Chief Financial Officer (KMP), who signs of Annual Financial statement requires ORIX Corporation's prior approval.

- (g) To identify the persons who are qualified to become Senior Accounting Officer *[who signs of sworn statement over Annual Financial Information]* for his/her appointment and/or removal.*

**To be pre-approved by ORIX Corporation.*

- (h) To carry out evaluation of the performance of the Board of the Company, Committees of the Board and individual Directors of the Company.
- (i) To carry out evaluation of KMP and SMP and approve their elevation to next level depending on their performance.
- (j) To lay down criteria for payment of incentives to KMP and SMP and approve payment of incentives to them.
- (k) To note the incentives and commission schemes for employees other than SMPs and KMPs approved by the Managing Director
- (l) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- (m) Formulate the Nomination and Remuneration Policy and recommend to the Board of Directors for approval.
- (n) To review and update Nomination and Remuneration Committee Charter annually.

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

- (a) Setting of / preparing funding policy.
- (b) Pricing of products for both deposits and advances.
- (c) Fixing of desired maturity profile and mix of the incremental assets and liabilities.
- (d) Reviewing the results and progress in implementation of the decisions made in the previous meeting.

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- (e) To articulate the current interest rate view.
- (f) 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.
- (g) Establishment of relations with bankers / financial institutions / companies for borrowing transactions (new or renewal).
- (h) 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.
- (i) 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.
- (j) 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.
- (k) To report on funding transactions and activities (borrowings, commitment lines, guarantee amounts, derivative transactions, ALM related items and covenant compliance matters).
- (l) 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.
- (m) To review and update Treasury and Asset Liability Management Committee Charter annually.

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

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

- (i) Approval of Credit Proposals of operating businesses of the Company as per Annexure enclosed in the Executive Committee Charter.

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

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

- 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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(c) Capital Expenditure for Business Operations:

- (i) 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.*
- (ii) 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.*

(d) General Administration:

- (i) To note waiver of income/reversals approved by Director or Managing Director.
- (ii) To note non-performing Assets (NPA) occurrence (Client or Clients group) of receivables as approved by the Managing Director **up to INR 6 Mn.**
- (iii) 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.*
- (iv) Rescheduling of non-performing receivables (Client or Client's group):
 - Total receivables **up to INR 6.0 Mn**; and
 - Total receivables over **INR 6.0 Mn** *subject to prior approval of ORIX Corp.*
- (v) 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
 - (iii) Total receivables over INR 7.8 Mn (Client or Client's group) subject to prior approval of ORIX Corp (ICC).
- (vi) 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.

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- (vii) To note Principal and Agency Agreement approved by MD.
- (viii) To approve general expenditure (for single purpose) over **INR 10 Mn.**
- (ix) To consider and approve closure of Bank Accounts.
- (x) 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.*
- (xi) 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.*
- (e) 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.
- (5) 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;
 - (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

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(7) To review and update Risk Management Committee Charter annually.

(6) 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. Takehiro Onishi	Mr. Yoshiaki Matsuoka	Mr. Takashi Nakayama
Audit Committee	4	4	4	NA	NA	4	NA	NA
Nomination and Remuneration Committee	3	3	3	3	-	3	NA	NA
Treasury and Asset Liability Management Committee	4	NA	NA	4	4	2	NA	2
CSR Committee	1	NA	1	1	1	NA	NA	NA
Risk Management Committee	2	NA	NA	2	2	1	NA	1
Executive Committee	2	NA	NA	2	2	1	NA	1

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(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 10, 2022, 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.

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 noted by the Board of Directors in their meeting held on March 22, 2022 .
- (b) The performance of the Independent Directors were reviewed and noted by the Board of Directors in their meeting held on March 22, 2022.

(F) General Meetings:

Meeting	Date and Time	Venue	Resolutions passed
26 th Annual General Meeting	September 28, 2021 at 11:30 a.m.	Audio-Video Conferencing (The deemed venue of the Meeting was	(1) Adoption of Audited Standalone Financial Statement and the Audited Consolidated Financial Statement of the Company

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		Registered office of the Company located in Mumbai	<p>for the year ended March 31, 2021 together with the Reports of the Board of Directors and Auditor's thereon;</p> <p>(2) Reappointment of Mr. Yoshiaki Matsuoka (DIN 08141800) who retires by rotation as a Director;</p> <p>(3) Appointment of Statutory Auditor of the Company;</p> <p><u>Special Business:</u></p> <p>(4) Appointment of Mr. Takashi Yamasaki (DIN 09238975) as Director of the Company; and</p> <p>(5) Appointment of Mr. Ryohei Suzuki (DIN: 08218888) as a Whole-Time Director of the Company.</p>
28 th Extra-Ordinary General Meeting	April 30, 2021 at 10:00 a.m.	Audio-Video Conferencing (The deemed venue of the Meeting was Registered office of the Company located in Mumbai)	<p><u>Special Business:</u></p> <p>(1) Appointment of Mr. Takashi Nakayama (DIN 08768983) as Director of the Company;</p> <p>(2) Appointment of Mr. Takehiro Onishi (DIN 09019630) as Director of the Company;</p> <p>(3) Appointment of Mr. Shin Hamada (DIN 09100127) as Director of the Company;</p> <p>(4) Re-appointment of Mr. Sandeep Gambhir (DIN: 00083116), Chief Executive Officer as Managing Director of the Company; and</p> <p>(5) Approval and adoption of new set of Articles of Association of the Company.</p>

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(G) REMUNERATION OF DIRECTORS:

*Remuneration of all the Directors of the Company

Sr. No.	Particulars of Remuneration	Name of Managing Director and CEO	Name of Director	Total Amount (in Rs.)
		Mr. Sandeep Gambhir	Mr. Ryohei Suzuki	
1	Salary (Fixed Component) (Amt in Rs.)	1,55,13,615	87,88,306	2,43,01,921
	Bonus (Performance Linked Incentive) (Amt in Rs.)	87,50,000	-	87,50,000
	Benefits	Perquisites as approved by the Shareholders in their 28 th Extra-Ordinary General Meeting held on April 30, 2021	Perquisites as approved by the Shareholders in their 26 th Annual General Meeting held on September 28, 2021	—
2	Stock Option	-	-	-
3	Pension	-	-	-
4	Commission (as % of profit)	-	-	-
5	Others, please (Amt)	1,33,697	6,50,543	7,84,240
	Total (A)	2,43,97,312	94,38,849	3,38,36,161

*Apart from the Managing Director and Whole-time Director, no other Director receives remuneration from 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. Ryohei Suzuki	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. Takashi Yamasaki, Director was appointed as Chairman of CSR committee in place of Mr. Ryohei Suzuki vide resolution passed by Board of Directors in their meeting held on May 02, 2022.

- (3) Web-link of Composition of CSR committee, CSR policy 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**.
- (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**.

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Total						-			

- (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 2021-2022 (8b+8c+8d+8e) – **Nil**
- (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)	0
(ii)	Total amount spent for the Financial Year	0
(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							

- (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								

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- (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

TAKASHI Digitally signed
by TAKASHI
YAMASA YAMASAKI
Date: 2022.07.29
KI 16:00:57 +05'30'

Takashi Yamasaki
Chairman CSR Committee
DIN: 09238975

SANDEEP Digitally signed
by SANDEEP
GAMBHI GAMBHIR
Date: 2022.07.29
R 15:36:20 +05'30'

Sandeep Gambhir
Managing Director
DIN: 00083116

Place: Mumbai
Date: July 29, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of ORIX AUTO INFRASTRUCTURE SERVICES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of ORIX Auto Infrastructure Services Limited ("the Company"), which comprise the Balance sheet as at 31 March, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of 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, as amended ("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, 2022, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards 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 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 audit opinion on the standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report, but does not include the standalone financial statements and our auditor's 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 such other information is materially inconsistent with the 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.



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Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- a) 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report



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to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Other Matter

The financial statements of the Company for the year ended 31 March, 2021, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 29 July, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 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 these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



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S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (g) In our opinion, the managerial remuneration for the year ended 31 March, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 on its financial position in its standalone financial statements – Refer Note 39 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 45 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 45 to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

SANJAY

BACHCHANI

per Sanjay Bachchani

Partner

Membership Number: 400419

UDIN: 22400419ANVAPP9295

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Place: Gurugram

Date: 29 July 2022

Annexure I referred to in paragraph 1 of report on other legal and regulatory requirements

Re: ORIX Auto Infrastructure Services Limited ('the Company')

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, 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) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory including inventory lying with third parties at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate.
- (b) As disclosed in note 22 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

- (iii) (a) During the year the Company has provided loans, as follows:

Amount in Lakhs	
Particulars	Loans
Aggregate amount granted/ provided during the year	
- Subsidiaries	-
- Joint Ventures	-
- Associates	-
- Others (Employee Loans)	16.92
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	-
- Joint Ventures	-



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- Associates	13.50
- Others (Employee Loans)	

(b) During the year the Company has not made investments, provided guarantees, provided security and granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company. During the year the terms and conditions of the grant of loans to employees, subsidiaries and enterprise having substantial interest are not prejudicial to the Company's interest.

(c) The Company has granted loans during the year to employees where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans granted to employees which are overdue for more than ninety days.

(e) There were no loans granted to employees which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(I) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including goods and services tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in provident fund, employees' state insurance and professional tax. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of Status	Nature of Dues	Amount yet to be paid (Rs.)	Amount Paid (Rs.)	Period to which amount related	Forum where disputes is pending
Income Tax Act, 1961	Income Tax	35,27,676	-	AY 2002-03	Deputy Commissioner of Income Tax
		12,00,961	-	AY 2003-04	Deputy Commissioner of Income Tax
		30,02,883	30,02,883	AY 2006-07	Deputy Commissioner of Income Tax
		5,71,87,606	-	AY 2017-18	Assistant Commissioner of Income Tax



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Finance Act 1994	Service Tax	97,59,263	-	Oct-05 to Mar 06	Commissioner of Service Tax Mumbai
		1,40,06,766	-	Apr-06 to Sep-06	Commissioner of Service Tax Mumbai
		87,53,493	-	Apr-06 to Mar-09	CESTAT
		30,66,383	73,08,469	Apr-06 to Mar 11	CESTAT
		72,54,621	26,21,340	Apr-11 to Mar 12	CESTAT
		93,39,263	84,28,948	Apr-12 to Mar 13	CESTAT
		82,96,698	1,02,45,816	Apr-13 to Mar 14	CESTAT
		75,16,856	1,06,54,764	Apr-14 to Mar 15	CESTAT
		2,39,97,017	4,69,33,324	Apr-15 to Jun-17	CESTAT
		2,84,06,780	10,65,255	Apr-12 to Jun-17	GST Audit Commissioner
Value Added Tax Act	VAT	10,23,82,438	10,23,82,438	JAN - 06 to Sept 09	Joint Commissioner Commercial Tax, Chennai
		23,21,427	-	Apr-08 to Mar-09	Additional commissioner (Appeal)
		2,40,03,974	-	Apr-12 to Mar-14	Additional/Joint Commissioner of Sales Tax (Delhi)
		2,69,313	3,28,232	Apr-12 to Mar-13	Deputy Commissioner CT, Rajasthan
		85,64,795	17,72,942	FY 2012-13	VAT Tribunal, Maharashtra
		5,96,383	5,96,383	Jan-12 to Mar 12	Appellate Deputy Commissioner, Telangana
		1,51,23,255	5,65,918	FY 2013-14	VAT Tribunal, Maharashtra
		5,66,584	70,823	2013-14	Appellate Deputy Commissioner, Telangana
		82,43,419	2,89,187	FY 2014-15	VAT Tribunal, Maharashtra
		1,05,31,562	5,62,003	2009-10	West Bengal Commercial Taxes A&R Board
		9,66,09,480	-	FY 2017-18	Deputy Commissioner of Sales Tax, Mumbai
		9,78,748	48,937	Oct-15 to Jun-17	Deputy Commissioner, Bhubaneswar
		2,25,50,640	8,52,309	Apr-15 to Mar-16	Joint commissioner, Maharashtra
		4,69,74,344	23,95,328	Apr-16 to Mar-17	Joint commissioner, Maharashtra
		37,49,475	32,23,146	Dec 06- Dec 11	High Court, Andhra Pradesh
		1,44,46,141	6,89,580	Apr 17 to Jun 17	Joint commissioner, Maharashtra
		3,42,45,022	-	Apr 14 to Jun 17	Assistant Commissioner, DVAT
		2,86,620	29,161	2017-18	Appellate Authority/Tribunal of Central Sales Tax, Goa
		1,01,487	-	CST-2016-17-2017-18	DCCT, Bhubaneswar

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.



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- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-1A of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 44 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial



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statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 34 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 34 to the financial statements.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

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per Sanjay Bachchani

Partner

Membership Number: 400419

UDIN: 22400419ANVAPP9295

Place: Gurugram

Date: 29 July 2022

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF ORIX AUTO INFRASTRUCTURE
SERVICES LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of ORIX Auto Infrastructure Services Limited ("the Company") as of 31 March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 financial statements, whether due to fraud or error.

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



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

Inherent Limitations of Internal Financial Controls With Reference to 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 control 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.

Opinion

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 with reference to standalone financial statements were operating effectively as at 31 March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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per Sanjay Bachchani

Partner

Membership Number: 400419

UDIN: 22400419ANVAPP9295

Place: Gurugram, Haryana

Date: 29 July 2022

ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Balance Sheet as at 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

	Notes	As at 31 March 2022	As at 31 March 2021
I Assets			
Non-current assets			
(a) Property, plant and equipment	2	71,196	63,274
(b) Other intangible assets	3	302	412
(c) Intangible assets under development	3	96	-
(d) Right-of-use assets	4	1,135	730
(e) Financial assets			
i. Investments	5	42,405	42,405
ii. Other financial assets	6	3,763	2,419
(f) Deferred tax assets (net)	35	8,181	8,125
(g) Other non-current assets	7	10,107	7,270
Total non-current assets		1,37,185	1,24,635
Current assets			
(a) Inventories	8	478	246
(b) Financial Assets			
i. Trade receivables	9	7,515	6,200
ii. Cash and cash equivalents	10	901	1,414
iii. Bank balances other than (ii) above	11	334	319
iv. Loans	12	14	3
v. Other financial assets	13	4,932	3,863
(c) Other current assets	14	6,286	8,010
Total current assets		20,460	20,055
Total assets		1,57,645	1,44,690
II Equity and liabilities			
Equity			
(a) Equity share capital	15	12,800	12,800
(b) Other equity	16	39,012	39,747
Total equity		51,812	52,547
Non-current liabilities			
(a) Financial liabilities			
i. Borrowings	17	39,377	28,510
ii. Lease liabilities	18	1,083	744
iii. Other financial liabilities	19	68	46
(b) Net employee defined benefit liabilities	20	689	435
(c) Other non-current liabilities	21	878	712
Total non-current liabilities		42,095	30,447
Current liabilities			
(a) Financial liabilities			
i. Borrowings	22	47,455	45,557
ii. Lease liabilities	23	248	141
iii. Trade payables	24		
- total outstanding dues of micro and small enterprises		816	164
- total outstanding dues of creditors other than micro and small enterprises		7,122	6,707
iv. Other financial liabilities	25	6,597	5,970
(b) Net employee defined benefit liabilities	26	242	232
(c) Other current liabilities	27	1,258	2,925
Total current liabilities		63,738	61,696
Total equity and liabilities		1,57,645	1,44,690

Summary of significant accounting policies 1

The accompanying notes are an integral part of these Financial Statements

As per our report of even date attached.

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No. 101049W/E300004

SANJAY BACHCHANI Digitally signed by SANJAY BACHCHANI
Date: 2022.07.29 18:35:12 +05'30'

Sanjay Bachchani
Partner
Membership No: 400419



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

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

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Vivek Wadhera
Chief Financial Officer

TAKASHI Digitally signed by
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Takashi Yamasaki
Director
(DIN - 09238975)

JAY NIRANJAN Digitally signed by JAY
GANDHI NIRANJAN GANDHI
Date: 2022.07.29
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Jay Gandhi
Company Secretary

Place: Gurugram
Date : 29 July 2022

Place : Mumbai
Date : 29 July 2022

ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Statement of profit and loss for the year ended 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
I Revenue			
Revenue from operations	28	50,414	44,988
Other income	29	1,576	1,945
Total income		51,990	46,933
II Expenses			
Cost of materials consumed	30	1,458	1,230
Employee benefit expense	31	7,021	7,434
Finance cost	32	5,452	6,156
Depreciation and amortisation expense	33	21,263	22,403
Other expenses	34	17,600	13,887
Total expenses		52,794	51,110
III Loss before tax		(804)	(4,177)
IV Tax expenses			
Current tax	35	31	-
Adjustments of tax relating to earlier years		(75)	-
Deferred tax		(48)	(1,040)
Total tax expenses		(92)	(1,040)
V Loss for the year		(712)	(3,137)
VI Other comprehensive income			
A Other comprehensive income not to be reclassified to profit or loss in subsequent period			
Re-measurements on defined benefit plan		(30)	196
Income tax effect		7	(49)
Total other comprehensive income		(23)	147
VII Total comprehensive income for the year		(735)	(2,990)
VIII Earnings per equity share (Face value ₹ 10 per share (31st March 2021 ₹ 10 per share))	36		
Basic and diluted earning per share in ₹		(0.57)	(2.34)

Summary of significant accounting policies

I

The accompanying notes form an integral part of these financial statements

As per our report of even date attached.

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No. 101049W/E300004

SANJAY BACHCHANI
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Date: 2022.07.29 18:35:38 +05'30'
Sanjay Bachchani
Partner
Membership No: 400419

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
Chief Financial Officer

TAKASHI YAMASAKI
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Takashi Yamasaki
Director
(DIN - 09238975)

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Jay Gandhi
Company Secretary

Place: Gurugram
Date : 29 July 2022

Place : Mumbai
Date : 29 July 2022

ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Statement of Changes in Equity (SOCIE) for the year ended 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

(a) Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Equity share of ₹ 10 each Issued, subscribed and fully paid				
Balance at the beginning of the reporting year	12,79,96,498	12,800	12,79,96,498	12,800
Changes in Equity share capital due to prior period errors	-	-	-	-
Restated balance	12,79,96,498	12,800	12,79,96,498	12,800
Issue of Share Capital	-	-	-	-
Balance at the end of the reporting year		<u>12,800</u>		<u>12,800</u>

(b) Other equity

	Reserves and Surplus			Other Reserves	Total
	Securities premium	General Reserve	Retained earnings	Other Comprehensive Income	
Balance at 1 April 2020	39,985	1,856	1,569	(673)	42,737
Profit for the year	-	-	(3,137)	-	(3,137)
Other comprehensive income for the year	-	-	-	147	147
Balance at 1 April 2021	39,985	1,856	(1,568)	(526)	39,747
Loss for the year	-	-	(712)	-	(712)
Other comprehensive income for the year	-	-	-	(23)	(23)
Balance at 31 March 2022	<u>39,985</u>	<u>1,856</u>	<u>(2,280)</u>	<u>(549)</u>	<u>39,012</u>

Summary of significant accounting policies

1

The accompanying notes form an integral part of these financial statements

As per our report of even date attached.

For S.R. Batliboi & Associates I.L.P.
Chartered Accountants
Firm Registration No. 101049WE300004

SANJAY
BACHCHANI

Sanjay Bachchani
Partner
Membership No: 400419

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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
Chief Financial Officer

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Takashi Yamasaki
Director
(DIN - 09238975)

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Jay Gandhi
Company Secretary

Place: Gurugram
Date : 29 July 2022

Place : Mumbai
Date : 29 July 2022

ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Cash flow statement for the year ended 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

	Year ended 31 March 2022	Year ended 31 March 2021
Operating activities		
Loss before tax	(804)	(4,177)
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation of property plant and equipment and right-of-use asset	21,129	22,271
Amortisation on other intangible assets	134	132
Gain on disposal of property plant and equipment	(199)	(536)
Finance costs (including fair value change in financial instrument)	5,355	6,071
Provisions for gratuity & leave encashment	234	(0)
Gain on termination of lease	(40)	(74)
Interest on lease liability	97	85
Provision for expected credit losses	148	108
Bad debts written off	11	-
Miscellaneous expenses (sundry balances written off)	10	31
Sundry balances written back	(116)	(130)
Operating profit before working capital changes	25,959	23,781
Working capital adjustments:		
(Increase) / Decrease in inventories	(233)	125
(Increase) / Decrease in trade receivable	(1,258)	8,422
(Increase) / Decrease in short term loan	(10)	54
(Increase) in other financial assets	(2,412)	(1,918)
Decrease in other assets	1,421	2,370
Increase / (Decrease) in trade payables	1,066	(3,737)
Increase in financial liabilities	764	2,938
Increase / (Decrease) in other current liabilities	(1,667)	525
Increase in other non current liabilities	165	64
	23,795	32,624
Less : taxes paid (net of refund)	(1,507)	(1,207)
Net cash flows from operating activities - A	22,288	31,417
Investing activities		
Purchase of property plant and equipment including capital advances, and capital work-in-progress	(39,591)	(23,153)
Proceeds from sale of property plant and equipment	9,677	12,359
Investment in fixed deposits	(12)	(244)
Net cash used in by investing activities - B	(29,926)	(11,038)
Financing activities		
Proceeds from long term borrowing	30,000	12,500
Repayment of long term borrowing	(27,125)	(21,447)
Proceeds from short term borrowing	74,050	25,654
Repayment of short term borrowing	(64,658)	(31,728)
Proceeds from cash credit	619	-
Payment of principal portion of lease liabilities	(187)	(195)
Payment of interest expenses	(97)	(85)
Finance costs (including fair value change in financial instrument)	(5,355)	(6,071)
Net cash flow from / (used in) financing activities - C	7,247	(21,372)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(391)	(993)
Cash and cash equivalents as at the beginning of the year	1,289	2,281
Cash and cash equivalents as at the end of the year (Refer Note no. 10)	898	1,289



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ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Cash flow statement for the year ended 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

	Year ended 31 March 2022	Year ended 31 March 2021
Components of cash and cash equivalents		
Cash on hand	18	27
Balances with banks		
- in current accounts	883	1,387
- Bank overdraft	(3)	(125)
Total cash and cash equivalents (Refer note 10)	898	1,289

Reconciliation of liabilities arising from financing activities

	Lease liability
As at 01 April 2020	1,180
Cash flow	(279)
Non cash changes	16
As at 31 March 2021	885
As at 01 April 2021	885
Cash flow	(283)
Non cash changes	(729)
As at 31 March 2022	1,331

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.
- 3) Refer note 47 for Change in liabilities arising from financing activities.

Summary of significant accounting policies

The accompanying notes form an integral part of these financial statements

As per our report of even date attached.

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No. 101049W/E300004

**SANJAY
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Date: 2022.07.29 18:37:10
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Sanjay Bachchani
Partner
Membership No: 400419

Place: Gurugram
Date : 29 July 2022

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

**SANDEEP
GAMBHIR**
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by SANDEEP
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Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

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Vivek Wadhera
Chief Financial Officer

Place : Mumbai
Date : 29 July 2022

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Takashi Yamasaki
Director
(DIN - 09238975)

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Jay Gandhi
Company Secretary

ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Notes to the Financial Statements for the year ended 31 March 2022

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

1. Company information and significant accounting policies

1.1 Corporate information

ORIX Auto Infrastructure Services Limited ("the Company"/ "OAIS") is a public company domiciled in India and is incorporate 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's registered office is at Plot no.94, Marol Co. op. industrial estate, Andheri-kurla road, Andheri (E), Mumbai-400 059, Maharashtra, India. 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.

OHFC was incorporated on April 21, 2018 with the objective of carrying out the business of Housing Finance Company (HFC) in India. It 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 then prevailing unfavourable market scenario 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 FY 2019-20. The Board of Directors of the OAIS had approved for merger of the OHFC into OAIS in their meeting held on March 22, 2022, subject to approval of shareholders, creditors and Ministry of Corporate Affairs. Accordingly, OAIS and OHFC are in the process of merger.

1.2 Significant accounting policies

(a) Basis of preparation

The financial statements of the Company has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

These financial statements have been prepared in Indian Rupee (₹), which is the functional currency of the company. All amounts are rounded to nearest Indian Rupee (₹) in lakhs except where otherwise stated.

The 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

These separate financial statements were approved by the Company's Board of Directors and authorised for issue on 29 July 2022.

The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows. 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.



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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Notes to the Financial Statements for the year ended 31 March 2022

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

(b) Current vs. non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

(c) Foreign currencies

The Company's financial statements are presented in INR, which is also the company's functional currency.

Transactions and balances:

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction and for recognition uses the exchange rate between the reporting currency and the foreign currency as at that date.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.



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(d) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each balance sheet date.

The Company determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value.

External valuers are involved for valuation of significant assets, unquoted financial assets, and significant liabilities, such as valuation of unquoted investments and equity settled employee share based payment plan. Involvement of external valuers is decided upon annually by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company management decides with the Company's external valuers, which valuation techniques and inputs to use for each case.


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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Notes to the Financial Statements for the year ended 31 March 2022

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

At each reporting date, the Company's management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company's management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company's management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The Company management present the valuation results to the Board of Directors and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosure are given in the relevant notes

- Quantitative disclosures of fair value measurement hierarchy (Note 42)
- Investment in unquoted equity shares (Note 5)
- Financial instruments (including those carried at amortised cost) (Note 42)

(e) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 28

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.



**SANJAY
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In respect of Maintenance Linked Leases (MLL), lease rentals are segregated between income for asset leased and maintenance charges. For maintenance contract, a budgeted maintenance reserve is created and a corresponding asset as lease finance charge. The maintenance reserve is amortised using the sum of years digit method and lease finance charges is amortised using the Internal Rate of Return method. 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 recognised over the period.

Rental Income from Car Rental - Self Drive (SD):

Income earned on vehicles rented is recognised as rental income from Self Drive. Car rental income and service charges are recognised over the period.

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 over the period.

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.

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 completion of service.

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.

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from Business Transport Solutions business because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section t) Financial instruments – initial recognition and subsequent measurement.



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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Notes to the Financial Statements for the year ended 31 March 2022

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

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (t) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received from a customer before the Company transfers the related services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related services to the customer).

(f) Taxes

Current tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- b. In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:



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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Notes to the Financial Statements for the year ended 31 March 2022

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

c. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

d. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Property, plant and equipment

Property, plant and equipment (PPE) 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.

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 leases are finance leases in nature.

Vehicles given by the Company under operating lease are included in property, plant and equipment.

Depreciation

Depreciation is charged on a pro-rata basis for Property, Plant and Equipment purchased and sold during the year. Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of vehicles, plant and machinery, furniture and fixtures over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.



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ORIX Auto Infrastructure Services Limited

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Notes to the Financial Statements for the year ended 31 March 2022

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

Followings are the estimated useful lives of various category of assets used.

Category of assets	Useful life
Leasehold improvements	Over lease period
Self-Drive vehicles	5 years
Business Transport Solution Own vehicles	Over contract period
Furniture, equipment's to employees	Block of 4 years
Furniture and fixtures	7 years
Own executive vehicles	Over contract period
Plant and machinery	5 years
Vehicles under operating lease	5 years

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss at the time of incurrence.

(h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangibles are capitalised at cost of acquisition including cost attributable to readying the asset for use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure for use is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets under development are measured at the amount incurred till the asset is put to use. This is separately disclosed under the Financial statement.

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 lives of intangible assets are assessed as finite are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss over the available useful life of 6 years.

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Notes to the Financial Statements for the year ended 31 March 2022

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

Amortisation method and useful lives are reviewed periodically including at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Category of assets	Useful life	Amortisation method	Internally generated or acquired
Software	6 years	Straight line method	Acquired

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that

an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

(j) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease

liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments to the lessor. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

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Notes to the Financial Statements for the year ended 31 March 2022

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

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(k) 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 realisable 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.

(l) Impairment of Non-financial assets

The Company assesses, at each balance sheet date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.



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Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss

unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(m) Provisions, Contingent liability and Contingent assets

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes.

Contingent assets are not recognised in the financial statements. A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise.

When an inflow of economic benefits is probable, contingent assets are disclosed in the Ind AS Financial Statement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions and contingent liabilities are reviewed at each balance sheet date.

(n) Retirement and other employee benefits:

Retirement benefit in the form of provident fund (PF) & employee state insurance (ESIC) is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent of the pre-payment.



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Notes to the Financial Statements for the year ended 31 March 2022

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

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The Company has taken group gratuity- cum -life assurance scheme of Life Insurance Corporation of India.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Past service costs and net interest calculated by applying the discount rate to the net defined benefit liability or asset, are recognised in profit or loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. These are presented as current liabilities in the balance sheet.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as Non-current liabilities in the balance sheet.

(o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses
- Financial assets at fair value through profit or loss (FVTPL)



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Notes to the Financial Statements for the year ended 31 March 2022

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

Financial assets at amortised cost

A 'Financial instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

The Company's financial assets at amortised cost includes trade receivables, balances with banks, and other financial assets.

Financial asset at FVTOCI

Financial asset is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Financial asset included within the FVTOCI category are measured initially as well as at each balance sheet at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L.

Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.


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Notes to the Financial Statements for the year ended 31 March 2022

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

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party

under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets are measured at amortised cost e.g., deposits and trade receivables
- b. Lease receivables under Ind-AS 17.
- c. Contract assets and trade receivables under Ind-AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- a. Trade receivables, and
- b. All lease receivables resulting from transactions within the scope of Ind AS 17.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each balance sheet date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.



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Notes to the Financial Statements for the year ended 31 March 2022

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

The balance sheet presentation for various financial instruments is described below:

For financial assets measured as at amortised cost: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk, to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.



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Notes to the Financial Statements for the year ended 31 March 2022

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Re-classification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



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Notes to the Financial Statements for the year ended 31 March 2022

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

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(p) 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.

(q) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(r) 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 period are adjusted for the effects of all dilutive potential equity shares.



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Notes to the Financial Statements for the year ended 31 March 2022

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

(s) Significant accounting judgement, estimates and assumptions

In application of Company's accounting policies, which are described in Note 2, the directors of the company are required to make judgements, estimations, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

• Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments - Company as a lessee

The Company has entered into lease agreements with lessor and has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it does not retain the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

• Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Taxes

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.



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Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit plan is highly sensitive to in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds with term that correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 37.

Provision for trade receivable

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience adjusted for forward-looking estimates. Individual trade receivables are written off when management deems them not to be collectible. For details of expected credit losses please refer Note 9.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are accompanied together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Company's of assets ('CGU').

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.



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Property, plant and equipment and Intangible Assets

Refer note 2 and 3 for estimated useful life and carrying value of property, plant and equipment respectively. The charge in respect of periodic depreciation/amortization is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management at the time the asset is acquired/capitalized periodically, including at each financial period/year end, determines the useful lives and residual values of Company's assets. The lives are based on historical experience with similar assets as well as anticipation of future events, which may affect their life, such as changes in technology. The estimated useful life is reviewed at least annually.

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted price in active markets, their fair value is measured using valuation techniques including the present valuation technique. The inputs to these models are taken from observable markets where possible, but where this is not feasible a degree of judgement is required in establishing fair value. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could effect the reported fair value of financial instruments.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment

(t) New and amended standards

Amendments to Ind AS 116: Covid- 19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid- 19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid- 19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019.



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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Notes to the Financial Statements for the year ended 31 March 2022

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

Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS, includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021 .

These amendments had no impact on the financial statements of the Company.



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2 Property, plant and equipment #

	Buildings under finance lease *	Leasehold improvements	Plant and equipments	Furniture and fixtures	Vehicles	Data processing equipments	Office equipments	Vehicles given under Operating lease	Total
Gross block									
As at 01 April 2020	3,103	789	12	155	22,591	1,007	420	95,291	1,23,368
Additions	-	-	-	4	890	56	14	20,106	21,070
Transfers	-	-	-	-	-	-	-	(5,168)	(5,168)
Disposals	-	-	-	-	9,699	-	7	21,520	31,226
As at 31 March 2021	3,103	789	12	159	13,782	1,063	427	88,709	1,08,044
As at 01 April 2021	3,103	789	12	159	13,782	1,063	427	88,709	1,08,044
Additions	-	-	3	11	2,122	71	26	36,027	38,260
Transfers	-	-	-	-	-	-	-	(1,877)	(1,877)
Disposals	-	0	-	17	3,079	98	63	24,533	27,790
As at 31 March 2022	3,103	789	15	153	12,825	1,036	390	98,326	1,16,637
Accumulated depreciation									
As at 01 April 2020	237	532	10	84	9,591	661	279	35,959	47,353
Charge for the year	59	123	1	23	3,538	136	65	18,044	21,989
Transfers	-	-	-	-	-	-	-	(3,706)	(3,706)
Disposals	-	-	-	-	6,705	-	8	14,153	20,866
As at 31 March 2021	296	655	11	107	6,424	797	336	36,144	44,770
As at 01 April 2021	296	655	11	107	6,424	797	336	36,144	44,770
Charge for the year	59	75	1	23	2,440	119	62	18,082	20,861
Transfers	-	-	-	-	-	-	-	(1,497)	(1,497)
Disposals	-	0	-	15	2,048	91	62	16,477	18,693
As at 31 March 2022	355	730	12	115	6,816	825	336	36,252	45,441
Net book value									
As at 31 March 2021	2,807	134	1	52	7,358	266	91	52,565	63,274
As at 31 March 2022	2,748	59	3	38	6,009	211	54	62,074	71,196

The Company has neither revalued nor impaired its Property, plant and equipment during the year ended on 31 March 2022 and 31 March 2021

* This includes leasehold land.



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3 Other intangible assets #

	Software	Total
Gross block		
As at 01 April 2020	691	691
Additions	180	180
Transfers	-	-
Disposals	-	-
As at 31 March 2021	871	871
As at 01 April 2021	871	871
Additions	26	26
Transfers	-	-
Disposals	6	6
As at 31 March 2022	891	891
Accumulated amortisation		
As at 01 April 2020	327	327
Amortisation for the year	132	132
Disposals	-	-
As at 31 March 2021	459	459
As at 01 April 2021	459	459
Amortisation for the year	134	134
Disposals	4	4
As at 31 March 2022	589	589
Net book value		
As at 31 March 2021	412	412
As at 31 March 2022	302	302

The Company has neither revalued nor impaired its intangible assets during the year ended on 31 March 2022 and 31 March 2021

Intangible Asset under Development (IAUD) ageing schedule

As at 31 March 2022	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Software projects in progress	96	-	-	-	96

As at 31 March 2021	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Software projects in progress	-	-	-	-	-

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4 Right-of-use assets #

	Right-of-use assets	Total
Gross carrying amount :		
As at 01 April 2020	1,615	1,615
Additions	14	14
Disposals	118	118
As at 31 March 2021	1,511	1,511
As at 01 April 2021	1,511	1,511
Additions	673	673
Disposals	427	427
As at 31 March 2022	1,757	1,757
Accumulated amortisation :		
As at 01 April 2020	577	577
Amortisation for the year	282	282
Disposals	78	78
As at 31 March 2021	781	781
As at 01 April 2021	781	781
Amortisation for the year	268	268
Disposals	427	427
As at 31 March 2022	622	622
Net book value		
As at 31 March 2021	730	730
As at 31 March 2022	1,135	1,135

Right-of-use assets includes office premises

* The Company has neither revalued nor impaired its Right-of-use assets during the year ended 31 March 2022 and 31 March 2021

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5 Investments

Name of the body corporate	Partly paid / fully paid	Extent of holding (%)	As at 31 March 2022		As at 31 March 2021	
			No. of shares	Amount	No. of shares	Amount
<u>Unquoted investments</u>						
Investment in subsidiaries (at amortised cost)						
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 Limited	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	
Aggregate book value of quoted investments				-	-	
Aggregate market value of quoted investments				42,405	42,405	
Aggregate value of unquoted investments				42,405	42,405	
Aggregate amount of impairment in value of investments				-	-	

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	As at 31 March 2022	As at 31 March 2021
6 Other financial assets		
Security deposit Unsecured, considered good		
Security deposits- premises	206	56
Less: Expected credit loss allowance	(10)	(14)
	196	42
Security deposits- petrol and sundry deposits	205	160
	401	202
Bank deposits with residual maturity of more than 12 months*	-	3
Out of pocket expenses recoverable	3,362	2,214
	3,362	2,217
Total	3,763	2,419
* Bank deposit with residual maturity of more than 12 months is pledged with VAT authorities in the year 31 March 2022 and 31 March 2021		
7 Other non-current assets		
Unsecured, considered good		
Other		
Capital advance	3,112	1,902
Balances with statutory authorities- VAT input credit	1,717	1,677
Prepaid expenses	56	21
Advance tax (net of provision for tax - ₹ 10,844 (31 March 2021 ₹ 10,888))	5,222	3,670
Total	10,107	7,270
8 Inventories		
At lower of cost or net realisable value		
Stores and spares	33	11
Retired vehicles held for sale*	445	235
Total	478	246

* The Company has created provision of ₹ 229 (31 March 2021 ₹ 229) which is netted off against retired vehicles held for sale.

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9 Trade receivable

	As at 31 March 2022	As at 31 March 2021
Trade receivables	7,515	6,200
Break-up:		
Secured, considered good	7,515	6,200
Unsecured, considered good	-	-
Trade receivables which have significant increase in credit risk	448	515
Trade receivable credit impaired	-	-
	7,963	6,715
Impairment Allowance (allowance for bad and doubtful debts)		
Secured, considered good	(377)	(446)
Unsecured, considered good	-	-
Trade receivables which have significant increase in credit risk	(71)	(69)
	(448)	(515)
Total	7,515	6,200

Clause (iv) Trade receivable aging schedule

March 31, 2022	Current but not due	Outstanding for following periods from due dates of payments					Total
		Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	
(i) Undisputed Trade receivable - considered good	-	6,599	292	99	45	124	7,159
(ii) Undisputed Trade receivable - which have significant increase in credit risk	-	30	61	29	27	230	377
(iii) Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivable - Considered good	-	248	4	50	47	7	356
(v) Disputed Trade receivable - which have significant increase in credit risk	-	2	2	41	20	6	71
Total	-	6,879	360	219	138	366	7,963

March 31, 2021	Current but not due	Outstanding for following periods from due dates of payments					Total
		Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	
(i) Undisputed Trade receivable - considered good	-	5,585	187	99	72	131	6,074
(ii) Undisputed Trade receivable - which have significant increase in credit risk	-	44	80	63	49	210	446
(iii) Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivable - Considered good	-	11	20	72	22	1	126
(v) Disputed Trade receivable - which have significant increase in credit risk	-	1	9	48	11	0	69
(vi) Disputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Total	-	5,640	297	282	154	342	6,715

* Due date has been considered from invoice date.

No trade or other receivable are due from director or other officers of the company either severally or jointly with any other person. Not any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The movement in impairment allowance of trade receivable as follows :

	As at 31 March 2022	As at 31 March 2021
Opening balance	515	415
Addition / (Reversals)	(56)	100
Write-off (net of recovery)	(11)	-
Closing balance	448	515



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	As at 31 March 2022	As at 31 March 2021
10 Cash and cash equivalents		
Balance with banks :		
On current accounts	883	1,387
Cash on hand	18	27
Total	901	1,414
For the purpose of cash flow, cash and cash equivalents comprise the above table.		
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*	334	319
TOTAL	334	319
* The bank deposits of ₹ 330 (31 March 2021 ₹ 279) have been kept as a security for registration with the VAT authorities of various states. Short term deposits are made for varying periods between one day and three months depending on immediate cash requirements of the company and earn interest at the respective short term deposit rates.		
12 Loans		
Unsecured, Considered good unless otherwise stated		
Loans and advances to employees	14	3
Total	14	3
13 Other financial assets		
Non-Derivative asset		
Security deposit unsecured, considered good		
Security deposits- premises	14	198
Security deposits- petrol and sundry deposits	98	10
	112	208
Receivable from related parties (refer note 40)	1,275	1,042
Contract Assets	854	966
Out of pocket expenses recoverable	2,691	1,647
Less: Expected credit loss allowance	(0)	(0)
Total	4,932	3,863
14 Other current assets		
Advances		
Advances to suppliers - considered good	616	2,021
Advances to suppliers - considered doubtful	443	225
Less: Allowance for doubtful advances to suppliers	(443)	(225)
Advance for expenses	196	539
Unsecured, considered good		
Others		
Prepaid expenses	1,112	759
Balance with statutory authorities	4,139	4,549
Incentive receivable from dealers	106	142
Others receivables	117	(0)
Total	6,286	8,010



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15 Share capital:

	As at 31 March 2022		As at 31 March 2021	
	Number on shares	₹ in lakhs	Number on shares	₹ in lakhs
Authorised				
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, subscribed and fully paid equity capital				
Equity shares of ₹ 10 each	12,79,96,498	12,800	12,79,96,498	12,800

i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

	As at 31 March 2022		As at 31 March 2021	
Authorised share capital	Number on shares	₹ in lakhs	Number on shares	₹ in lakhs
Equity shares of ₹ 10 each				
Shares outstanding at the beginning of the year	16,00,00,000	16,000	16,00,00,000	16,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	16,00,00,000	16,000	16,00,00,000	16,000
13.5% preference shares of ₹ 10 each				
Shares outstanding at the beginning of the year	1,00,00,000	1,000	1,00,00,000	1,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,00,00,000	1,000	1,00,00,000	1,000
Issued equity capital				
Equity shares of ₹ 10 each issued, subscribed and fully paid-up				
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 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 (31 March 2021 - 127,984,998) are held by ORIX Corporation, Japan, the holding company and its nominees.

iv) Shares held by holding company and it's nominees

Out of equity issued by the company, shares held by its holding company and their nominee are as follows:

	As at 31 March 2022	As at 31 March 2021
ORIX Corporation (Japan), the holding company and its nominees	100%	100%
12,79,96,498 (31 March 2021 : 12,79,96,498) equity shares		

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

	As at 31 March 2022		As at 31 March 2021	
	No. of shares held	% of holding	No. of shares held	% of holding
ORIX Corporation (Japan), the holding company and its nominees	12,79,89,998	100.00%	12,79,89,998	100.00%



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ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Notes to the financial statements as at 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

vi) Details of shares held by promoters

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
ORIX Corporation	12,79,89,992	-	12,79,89,992	100%	0%
ORIX Corporation and Mr. Harukazu Yamaguchi	1	(1)	-	0%	100%
ORIX Corporation and Mr. Takashi Nakayama	-	1	1	0%	-100%
Equity shares of ₹ 10 each fully paid					
ORIX Corporation and Mr. Vivek Wadhwa	1	-	1	0%	0%
ORIX Corporation and Mr. Yoshiaki Matsuoka	1	-	1	0%	0%
ORIX Corporation and Mr. Pankaj Jain	1	-	1	0%	0%
ORIX Corporation and Mr. Sandeep Gambhir	1	-	1	0%	0%
ORIX Corporation and Mr. Jay Gandhi	1	-	1	0%	0%
Total	12,79,89,998	-	12,79,89,998	100%	-

Note :

- No shares have been allotted by way of bonus shares or pursuant to contracts without receipt of cash
- No shares have been reserved for issue under options
- No shares have been allotted pursuant to contract(s) without payment being received in cash
- As per records of the Company, including its register of shareholder / member and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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	As at 31 March 2022	As at 31 March 2021
16 Other equity		
Securities premium account		
Balance at the beginning of the year	39,985	39,985
Transactions during the year	-	-
Balance at the end of the year	39,985	39,985
General reserve		
Balance at the beginning of the year	1,856	1,856
Transactions during the year	-	-
Balance at the end of the year	1,856	1,856
Reserves and surplus		
Balance at the beginning of the year	(1,568)	1,569
(Loss) for the year	(712)	(3,137)
Balance at the end of the year	(2,280)	(1,568)
Other Comprehensive Income		
Balance at the beginning of the year	(526)	(673)
Add : Re-measurements on defined benefit plan	(23)	147
Balance at the end of the year	(549)	(526)
Total	39,012	39,747

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

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

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

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

17 Borrowings

Non-current borrowing

Unsecured borrowing

Term Loan

- From Banks (refer note a, b, c, e and f)

24,377 13,510

- From Parent Company (ORIX Corporation-Japan) (refer note d)

15,000 15,000

Total

39,377 28,510

Notes

a) Term loan disbursement from HDFC Bank Limited that carries interest @ 6.07% to 7.35%. The loan is repayable in quarterly installments and will start getting repaid from August, 2023 to September, 2025. The installment amount ranges from ₹ 313 lakhs to of ₹ 357 lakhs. The loan is guaranteed by ORIX Corporation, Japan (Holding Company).

b) Term loan disbursement from Kotak Mahindra Bank Limited that carries interest @ 6.10% to 6.30%. The loan is repayable in monthly installments and start getting repaid from March, 2025 to August 2025. The installment amount ranges from ₹ 63 lakhs to of ₹ 106 lakhs. The loan is guaranteed by ORIX Corporation, Japan (Holding Company).

c) Term loan disbursement from Credit Agricole Corporate & Investment Bank that carries interest @ 6.25%. The loan is repayable in quarterly installments and will be fully repaid by November, 2024. The instalment amount is of ₹ 1,000 lakhs. The loan is guaranteed by ORIX Corporation, Japan (Holding Company).

d) Term loan disbursement from Parent company, ORIX Corporation, Japan, that carries interest @ 7.69%. The loan is repayable in bullet payment and will be repaid by October, 2024.

e) Term loan disbursement from ICICI Bank Limited that carries interest @ 8.15%. The loan is repayable in monthly installments and was fully repaid during the year. The instalment amount was of ₹ 208.33 lakhs. The loan is guaranteed by ORIX Corporation, Japan (Holding Company).

f) Term loan disbursement from The Federal Bank Limited that carries interest @ 7.90%. The loan is repayable in quarterly installments and was fully repaid during the year. The installment amount was of ₹ 583 lakhs. The loan is guaranteed by ORIX Corporation, Japan (Holding Company).


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	As at 31 March 2022	As at 31 March 2021
18 Lease liabilities		
Lease liabilities (refer note 38)	1,083	744
Total	1,083	744
19 Other financial liabilities		
Financial liabilities at amortised cost		
Security deposits from customers	68	46
Total	68	46
20 Net employee defined benefit liabilities		
Provision for gratuity (refer note 37)	350	153
Provision for compensated absences	339	282
Total	689	435
21 Other non-current liabilities		
Maintenance linked leases reserves of operating lease	878	712
Total	878	712
22 Short term borrowings		
Secured		
Loans repayable on demand from banks		
- Cash credit from banks	0	-
- Short Term Loan From Banks (refer note a)	1,000	-
- Working capital demand loan (refer note g)	-	600
Unsecured		
Loans repayable on demand from banks		
- Working capital demand loan (refer note b, c, d, e and f)	29,500	20,500
- Overdraft facility from bank	619	-
Current maturities of long term debts	16,331	24,322
Bank overdraft	3	125
Interest accrued but not due on borrowings	2	10
Total	47,455	45,557
Notes:		
a) Short Term loan disbursement from IDBI Bank Limited that carries interest @ 6.00%. The loan is secured by way of hypothecation of operating lease assets.		
b) Working capital demand loan from Mizuho Bank that carries interest rate @ 4.35% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)		
c) Working capital demand loan from Kotak Mahindra Bank that carries interest rate @ 5.00% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)		
d) Working capital demand loan from The Federal Bank Ltd that carries interest rate @ 4.98% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)		
e) Working capital demand loan from Deutsche Bank AG that carries interest rate @ 4.50% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)		
f) Working capital demand loan from ICICI Bank that carries interest rate @ 4.68% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)		
g) Working capital demand loan from IDBI Bank Ltd that carries interest rate @ 6.00% p.a. was repaid during the year in Apr-2021. The loan was secured by way of hypothecation of operating lease assets.		
23 Lease liabilities		
Lease liabilities (refer note 38)	248	141
Total	248	141



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24 Trade payables

	As at 31 March 2022	As at 31 March 2021
Trade payable of micro enterprises and small enterprises (refer note 48)	816	164
Trade payable other than micro enterprises and small enterprises	7,122	6,707
Total	7,938	6,871
Trade payable	7,938	6,871
Trade payable to related parties	-	-
Total	7,938	6,871

Trade payable aging schedule

31 March 2022	No Due	Outstanding for following periods from the date of transactions				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	432	312	45	0	27	816
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,691	1,256	739	413	1,023	7,122
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Grand total	4,123	1,568	784	413	1,049	7,938

31 March 2021	No Due	Outstanding for following periods from the date of transactions				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	103	61	0	-	(0)	164
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,312	1,398	1,325	514	1,158	6,707
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Grand total	2,415	1,459	1,325	514	1,158	6,871

Trade payables are not-interest bearing and are normally settled in 30 days terms.

The amount due to Micro, Small and Medium Enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED") has been determined to the extent such parties have been identified on the basis of information available with the company.

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ORIX Auto Infrastructure Services Limited
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Notes to the financial statements as at 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

	As at 31 March 2022	As at 31 March 2021
25 Other financial liabilities		
Financial liabilities at amortise cost		
Advance from customers	3,612	2,878
Employee related liabilities	990	1,034
Other Payables		
- Security Deposits for operating lease and self drive	141	158
- Provision for expenses	1,854	1,900
Total	6,597	5,970
26 Net employee defined benefit liabilities		
Provision for employee benefits		
Provision for gratuity (refer note 37)	216	218
Provision for compensated absences	26	14
Total	242	232
27 Other current liabilities		
Provision for income tax (net of advance tax ₹ Nil (Previous year ₹ Nil))	23	23
Other Payables		
- Statutory dues payable (Contributions to PF, withholding taxes, sales tax, service tax, etc)	289	2,025
- Net Insurance and maintenance reserves of operating lease	-	32
- Contract liabilities	537	483
- Provision for expenses	408	361
- Other Payables	1	1
Total	1,258	2,925

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ORIX Auto Infrastructure Services Limited

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Notes to the financial statements for the year ended 31 March 2022

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

	Year ended 31 March 2022	Year ended 31 March 2021
28 Revenue from operations		
28.1 Sale of products		
Spares and Consumables	1,608	1,343
Sale of services		
Operating leases on vehicles	24,922	25,250
Car rentals	11,713	6,855
Car rental - self drive	1,768	1,364
Business transport solutions	7,077	7,668
Service centre revenue	204	145
Maintenance revenue	981	878
FMS revenue	1,687	1,249
Other operating revenue		
Income on pre termination of lease	143	23
Insurance commission	311	213
Total revenue from operations	50,414	44,988
India	50,414	44,988
Outside India	-	-
Total revenue from operations	50,414	44,988
Timing of revenue recognition		
Goods transferred at a point in time	1,608	1,343
Services transferred over time	48,806	43,645
Total revenue from operations	50,414	44,988
28.2 Contract balances		
Trade receivables	7,515	6,200
Contract assets	854	966
Contract liabilities	537	483
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In March 2022, ₹ 448 (March 2021: ₹ 515) was recognised as provision for expected credit losses on trade receivables.		
Contract assets relates to revenue earned from Business transport solutions. As such, the balances of this account vary and depend on the services provided at the end of the year.		
In March 2022, ₹ 5 (March 2021: ₹ 6) was recognised as provision for expected credit losses on contract assets.		
Contract liabilities includes deferred revenue.		
Amount of revenue recognised from :		
	Year ended 31 March 2022	Year ended 31 March 2021
Amount included in contract liabilities at the beginning of the year	483	666
Performance obligations satisfied in previous years	483	666
28.3 Right of return assets and refund liabilities		
Right on return assets	-	-
Refund liabilities		
Arising from retrospective volume rebates	-	-
Arising from rights of return	-	-
Total	-	-



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Notes to the financial statements for the year ended 31 March 2022

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

	Year ended 31 March 2022	Year ended 31 March 2021
28.4 Reconciling the amount of revenue recognised in the Statement of Profit and loss with the contracted price		
Revenue as per contracted price	50,414	44,988
Adjustment	-	-
Discount	-	-
Total revenue from operations	50,414	44,988

28.5 Performance obligation

Car rental

For certain contracts, the performance obligation is satisfied over time. In this contract advance is received before the completion of service.

Operating leases on vehicles

The performance obligation is satisfied over time and payment is generally due upon receipt of bill by customer.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Within one year	-	-
More than one year	-	-

29 Other income

Interest income on:

Bank deposits	14	5
Loans and advances	83	85
Security deposits-premises	11	15

Other non-operating income

Sundry balances written back	116	130
Management fees	538	538
Rental income	134	134
Discount- business transport solutions vendors	144	113
Profit on sale of vehicles	199	536
Miscellaneous income	337	389

Total	1,576	1,945
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Notes to the financial statements for the year ended 31 March 2022

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

	Year ended 31 March 2022	Year ended 31 March 2021
30 Cost of material consumed		
Spare parts, accessories		
Inventory at the beginning of the year	6	29
Add: Purchases	1,485	1,207
	1,491	1,236
Less: Inventory at the end of the year	(33)	(6)
Total	1,458	1,230
31 Employee benefit expenses		
Salaries and wages	6,258	6,686
Contribution to provident and other funds	458	455
Gratuity expenses (refer note 37)	165	192
Staff welfare expenses	140	101
Total	7,021	7,434
32 Finance cost		
Interest expense on financial liabilities	5,000	5,598
Interest on lease liability (Refer note no. 38)	97	84
Other borrowing costs	355	474
Total	5,452	6,156
33 Depreciation and amortisation expense		
Depreciation on property, plant and equipments (refer note 02)	20,861	21,989
Amortisation of right-of-use assets (refer note 04)	268	282
Amortization on other intangible assets (refer note 03)	134	132
Total	21,263	22,403

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Notes to the financial statements for the year ended 31 March 2022

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

	Year ended 31 March 2022	Year ended 31 March 2021
34 Other expenses		
Contract labour / chauffeurs cost	1,811	1,933
Service station labour cost	90	74
Car hire charges for car rental	2,773	610
Vehicle hire charges for business transport solution	5,126	4,644
Rent	143	189
Electricity	102	97
Travelling and conveyance	159	126
Communication expenses	157	212
Professional and legal fees	464	516
Vehicle running expenses	1,932	1,481
Repairs and maintenance :		
- Building	1	1
- Machinery	55	53
- Others	1,070	836
Insurance premium	1,404	1,342
Rates and taxes	637	421
Directors' sitting fees	7	8
Printing and stationery	33	22
Software maintenance expenses	455	343
Freight & forwarding charges	30	16
Expected credit losses - trade receivables, advances and deposits	148	108
Bad debts written off	11	-
Corporate social responsibility expenditure (refer note (i) below)	-	50
Loss / reversal on NRV	(148)	75
Payment to the auditor (refer note (ii) below)	62	69
Miscellaneous expenses	1,078	661
Total	17,600	13,887

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ORIX Auto Infrastructure Services Limited

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Notes to the financial statements for the year ended 31 March 2022

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

	Year ended 31 March 2022	Year ended 31 March 2021
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34 Other expenses (Continued)

Notes :

1) Details of corporate social responsibility expenditure (CSR) :

	Year ended 31 March 2022	Year ended 31 March 2021
a) Gross amount required to be spent by Company during the year	-	50
b) Amount approved by the Board to be spend during the year	-	50
c) Amount spent during the year ending on 31st March 2022 :	In Cash	Total
1. Construction/acquisition of any asset	-	-
2. On purposes other than (1) above	-	-
Total	-	-

d) Amount spent during the year ending on 31st March 2021 :

1. Construction/acquisition of any asset	-	-
2. On purposes other than (1) above	50	50
Total	50	50

e) Details related to spent/unspent obligations:

	Year ended 31 March 2022	Year ended 31 March 2021
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	-	50

2) Payment to Auditors:

As auditor :

Audit fees	59	66
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In other capacity :

Other services (certification fees)	3	3
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Total	62	69
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ORIX Auto Infrastructure Services Limited

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Notes to the financial statements for the year ended 31 March 2022

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

35 Income taxes and Deferred taxes

Income taxes

(a) The major component of income tax expenses for the year ended:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax:		
Current income tax charge	31	-
Adjustments in respect of current income tax of previous year	(75)	-
Deferred tax:		
Deferred tax expense	(48)	(1,040)
Income tax expense reported in the statement of profit or loss	(92)	(1,040)

(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	7	(49)
	7	(49)

(c) Reconciliation of tax expense and the accounting profit

	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit before tax	(804)	(4,177)
Tax using the Company's domestic tax rate	(202)	(1,051)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	-	13
Current tax expenses relating to prior years	(75)	-
Other	185	(2)
Income tax expense reported in the statement of profit or loss	(92)	(1,040)

The applicable Indian corporate statutory tax rate for the year ended 31 March 2022 and 31 March 2021 is 25.168%.

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35 Deferred tax and Current tax

Deferred Taxes

(d) Reconciliation of deferred tax asset

	Net balance April 1, 2021	Recognised in profit or loss	Recognised in OCI	31 March 2022		
				Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Depreciation	6,909	402	-	7,311	7,311	-
Provisions	342	32	-	374	374	-
Expected Credit Losses	173	(57)	-	116	116	-
Maintenance linked Reserves (MLL)	187	20	-	207	207	-
Carry forward loss	317	(317)	-	-	-	-
Ind AS Adjustments						
Lease rental Straightlining	(85)	85	-	0	0	-
Effective interest rate on Borrowings	0	30	-	30	30	-
Employee benefits P&L	(72)	(7)	-	(79)	-	(79)
Employee benefits OCI	72	-	7	79	79	-
Discounting of security deposits paid for prer	(1)	1	-	0	0	-
Inventory Revaluation for retired vehicles	20	172	-	192	192	-
Right-of-use assets	242	(291)	-	(49)	-	(49)
Others	21	(21)	-	-	-	-
Tax assets (Liabilities)	8,125	49	7	8,181	8,309	(128)
Net tax assets	8,125	49	7	8,181	8,309	(128)

	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	31 March 2021		
				Net	Deferred tax asset	Deferred tax liability
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		317	-	317	317	-
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 prer	2	(3)	-	(1)	-	(1)
Inventory Revaluation for retired vehicles	1	19	-	20	20	-
Right-of-use assets	171	71	-	242	242	-
Others	-	21	-	21	21	-
Tax assets (Liabilities)	7,135	1,039	(49)	8,125	8,283	(158)
Net tax assets	7,135	1,039	(49)	8,125	8,283	(158)

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 31 March 2022 and 31 March 2021 is 25.168%

During the previous year under Income tax, option is provided to Corporates to choose tax rate i.e. either 25.168% 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. 25.168% without claiming any deductions and exemptions.

In assessing the realizability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

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ORIX Auto Infrastructure Services Limited

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Notes to the financial statements for the year ended 31 March 2022

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

36 Earnings per equity share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company, by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company, by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all dilutive potential equity shares into equity shares.

	As at 31 March 2022	As at 31 March 2021
Profit after tax attributable to equity shareholders	(735)	(2,990)
Weighted average number of equity shares used for computing earning per share (Basic/diluted)	12,79,96,498	12,79,96,498
Basic and diluted earnings per share (nominal value - ₹ 10 per share)	(0.57)	(2.34)
Face value per share (₹)	10	10

Earnings per share (EPS) calculation is in accordance with Ind-AS 33 - Earning Per Share.

Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

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Notes to the financial statements for the year ended 31 March 2022

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

37 Gratuity and other post-employment benefit plans

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. The Company also contributes to Employees State insurance.

The Provident fund and the state defined contribution plan are operated by Employees Provident Fund Organisation. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit / scheme to fund the benefits.

	For the year ended	
	31 March 2022	31 March 2021
Contribution to provident fund	339	344
Contribution to super annuation	54	51
Contribution to ESI	26	34
Contribution to national pension scheme	39	26
Labour welfare fund	0	1
Total	458	456

(ii) Defined Benefit Plan:

The Company has defined benefit plan. 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 31 March 2022. 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 2022	31 March 2021
	Gratuity Funded	
Defined benefit obligation	1,761	1,573
Fair value of plan assets	1,195	1,202
Net defined benefit (obligation)/assets	566	371
Non-current	350	153
Current	216	218

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 2022	31 March 2021
	Gratuity Funded	
Defined benefit obligation		
Opening balance	1,573	1,653
Included in profit or loss		
Current service cost	139	166
Interest cost	110	113
	1,822	1,932
Included in OCI		
Remeasurement loss / (gain):	(31)	(47)
Actuarial loss / (gain)	57	(120)
	1,848	1,765



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Notes to the financial statements for the year ended 31 March 2022

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

37 Employee benefit

(ii) Defined Benefit Plan:

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

	31 March 2022	31 March 2021
	Gratuity Funded	
Other		
Contributions paid by the employer	-	-
Benefits paid	(87)	(192)
Closing balance	1,761	1,573
Fair value of plan asset		
Opening balance	1,202	1,270
Included in profit or loss	-	-
Interest income	84	87
	1,286	1,357
Included in OCI		
Remeasurement gain (loss):	-	-
Actuarial gain (loss)	-	-
Demographic assumptions	-	-
Financial assumptions	-	-
Experience adjustment	-	-
Return on plan assets excluding interest income	(4)	29
	1,282	1,386
Other		
Contributions paid by the employer	-	8
Benefits paid	(87)	(192)
Closing balance	1,195	1,202
Represented by		
Net defined benefit asset	-	-
Net defined benefit liability	566	371
	566	371

C. Plan assets

Plan assets comprise the following :

	31 March 2022	31 March 2021
	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 2022	31 March 2021
Discount rate	7.23%	7.02%
Expected rate of return on plan assets	7.23%	7.02%
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.



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Notes to the financial statements for the year ended 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

37 Employee benefit

(ii) Defined Benefit Plan:

E. Reconciliation of net liability/asset

Gratuity	As at 31 March 2022	As at 31 March 2021
Opening Balance	371	383
Expenses Recognized in the Statement of Profit and Loss	165	192
Expenses Recognized in Other Comprehensive Income (OCI) (Employer's Contribution)	30	(196)
	-	(8)
Net liability / (Asset) recognised in the balance sheet	566	371

F. Expenses recognized in Statement of Profit and loss

	As at 31 March 2022	As at 31 March 2021
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	139	166
Net Interest Cost	26	26
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	165	192

G. Expenses recognized in Other Comprehensive Income (OCI)

	As at 31 March 2022	As at 31 March 2021
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/losses on Obligation for the year	26	(167)
Return on Plan Assets, Excluding Interest Income	4	(29)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in Other Comprehensive Income (OCI)	30	(196)

H. Reconciliation of Other Comprehensive Income (OCI)

Gratuity	As at 31 March 2022	As at 31 March 2021
Opening Balance	526	673
Acturial losses during the year	23	(147)
Balance end of the year	549	526

I. Other Details

	As at 31 March 2022	As at 31 March 2021
Prescribed contribution for next years (12 months)	216	218

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ORIX Auto Infrastructure Services Limited

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Notes to the financial statements for the year ended 31 March 2022

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

37 Employee benefit

(ii) Defined Benefit Plan:

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

	As at 31 March 2022	As at 31 March 2021
Projected benefits payable in future years from the date of reporting		
1st following Year	123	45
2nd following Year	91	43
3rd following Year	73	156
4th following Year	131	64
5th following Year	173	143
Sum of years 6 to 10	961	880

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 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
	Gratuity		Gratuity	
Discount rate (1% movement)	(135)	154	(113)	175
Future salary growth (1% movement)	153	(137)	174	(114)
Employee turnover rate (1% movement)	1	(1)	20	(22)
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 2022 based on actuarial valuation using the projected accrued benefit method is ₹ 365 (Previous year 31 March 2021 ₹ 296).

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38 Leases

Operating lease

- 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 01 April 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 2021-22, 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 ₹ 40 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.

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognised with the movements during the period:

Particular	As at 31 March 2022	As at 31 March 2021
Carrying amount of Right of use assets recognised and the movements during the period :		
Balance at the beginning of the reporting year	730	1,038
Addition (Note 04)	673	14
Depreciation expenses	(268)	(282)
Disposal of asset during the year	-	(40)
Balance at the end of the reporting year	1,135	730
Carrying amount of lease liabilities and the movements during the period :		
Balance at the beginning of the reporting year	885	1,180
Addition	672	14
Deletion	(40)	(114)
Accretion of interest	97	84
Payments	(283)	(279)
Balance at the end of the reporting year	1,331	885
Current	248	141
Non-Current	1,083	744
Maturity analysis of undiscounted lease cash flows		
Less than 6 months	169	114
6-12 months	165	92
1-2 years	321	186
2-5 years	773	423
More than 5 years	190	332
Total	1,618	1,147
The effective interest rate for lease liabilities is in the range of 5.89% - 8.74% with maturity between Nov 2022 to Sept 2028		
Depreciation expense of Right of use assets	268	282
Interest expenses on lease liabilities	97	84
Expenses related to short term leases (included in other expenses)	114	160
Expenses related to lease of low value assets	-	-
Total amount recognised in Profit or loss	479	526
Cash outflow of leases during the year	283	279

The Company had total cash outflows for leases of ₹ 283 in 31 March 2022 (₹ 279 in 31 March 2021). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 673 in 31 March 2022 (₹ 14 in 31 March 2021).



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Notes to the financial statements for the year ended 31 March 2022

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

38 Leases

Company as a 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 2022	As at 31 March 2021
Vehicles	24,922	25,250

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

	As at 31 March 2022	As at 31 March 2021
Within one year	30,725	21,716
After one but not more than five years	45,689	24,458
Total	76,414	46,174

Company as a lessee

Finance lease

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 2022	As at 31 March 2021
Gross carrying amount	3,103	3,103
Addition	-	-
Net carrying amount	3,103	3,103
Opening Accumulated depreciation	296	237
Depreciation for the year	59	59
Net carrying amount	2,748	2,807



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Notes to the financial statements for the year ended 31 March 2022

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

39 Contingent liabilities (to the extent not provided for):

i) Claims against the Company not acknowledged as debts

	31 March 2022	31 March 2021
Income tax	649	649
Sales tax and Value added tax	3,925	5,785
Service tax	1,204	16,295
Litigation pending against the Company	97	74
Total	5,875	22,803

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.

ii) The company has received various claims from its customers in relation to the service rendered by it. The Company has either responded to such claims directly to customers or filed a response with appropriate authorities, where such claims were logged by the customers. There exists an uncertainty over the outcome of such cases, however the management is confident of favourable outcome based on the advice of its legal counsel and therefore not recorded any provision against such claim.

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Notes to the financial statements for the year ended 31 March 2022

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

40 A. Name of related parties and related party relationship

1 Holding Company	ORIX Corporation
2 Subsidiary Company	ORIX leasing & financial services India limited (OLFS) ORIX Housing financial corporation India limited
3 Fellow Associate	Infrastructure Leasing and Financial Services Limited
4 Key Management Personnel	Mr. Sandeep Gambhir, Managing Director and Chief Executive Officer Mr. Vivek Wadhwa, Chief Financial Officer Mr. Yoshiaki Matsuo, Chairman and Director Mr. Nagesh Dubey, Independent Director Mr. Abhay Kakkar, Independent Director Mr. Ryohei Suzuki, Whole time Director (from 03 September 2021) Mr. Takashi Yamasaki, Additional Director (from 29 July 2021) Mr. Takashi Nakayama, Director (upto 29 July 2021) Mr. Takehiro Onishi, Additional Director Mr. Shin Hamada, Additional Director Ms. Meeta Sanghvi, Director

A. Name of related parties and related party relationship

Holding Company	ORIX Corporation
Subsidiary Company	ORIX leasing & financial services India limited (OLFS) ORIX Housing financial corporation India limited
Fellow Associate	Infrastructure leasing and financial services limited
Key Management Personnel	Mr. Sandeep Gambhir, Managing Director and Chief Executive Officer Mr. Vivek Wadhwa, Chief Financial Officer Mr. Nagesh Dubey, Independent Director Mr. Abhay Kakkar, Independent Director Mr. Ryohei Suzuki, Whole time Director Mr. Jay Gandhi, Company Secretary

C Related party transactions for the year ended

	Subsidiaries	Holding company	Key management personnel	Fellow associate
i. Rent income	134 (134)	- (-)	- (-)	- (-)
ii. Management fees income	538 (538)	- (-)	- (-)	- (-)
iii. Interest income on inter company current account	80 (69)	- (-)	- (-)	- (-)
iv. Finance lease vehicles transfer	- (458)	- (-)	- (-)	- (-)
v. Interest and other expenses	13 (25)	- (-)	- (-)	- (-)
vi. Finance lease rental	61 (92)	- (-)	- (-)	- (-)
vii. Finance lease addition	- (75)	- (-)	- (-)	- (-)
viii. Reimbursement of administrative expenses	10 (5)	- (-)	- (-)	- (-)
ix. Interest expenses on ECB	- (-)	1,154 (1,154)	- (-)	- (-)
x. Bank guarantee & global fees charges	- (-)	64 (62)	- (-)	- (-)
xi. Commitment charges	- (-)	90 (3)	- (-)	- (-)
xii. Reimbursement of salary	- (-)	33 (82)	- (-)	- (-)
xiii. Mr. Sandeep Gambhir, Managing director and chief executive officer	- (-)	- (-)	260 (285)	- (-)
xiv. Mr. Vivek Wadhwa, Chief financial officer	- (-)	- (-)	206 (199)	- (-)
xv. Mr. Ryohei Suzuki, Whole time director	- (-)	- (-)	96 (101)	- (-)



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Notes to the financial statements for the year ended 31 March 2022

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

	Subsidiaries	Holding company	Key management personnel	Fellow associate
xvi. Mr. Jay Gandhi, Company Secretary	- (-)	- (-)	66 (68)	- (-)
xvii. Mr. Abhay Kakkar, Independent director	- (-)	- (-)	4 (4)	- (-)
xviii. Mr. Nagesh Dubey, Independent director	- (-)	- (-)	3 (4)	- (-)
xix. Expenses paid on behalf of OHFC	18 (15)	- (-)	- (-)	- (-)
xx. Expenses towards rent and electricity	- (-)	- (-)	- (-)	60 (79)

Figures in brackets relate to previous year.

D Balance at the end of the period

	Subsidiary	Holding Company	Key management personnel	Fellow Associate
Receivable				
Management charges	135 (344)	- (-)	- (-)	- (-)
Rent expense	34 (34)	- (-)	- (-)	- (-)
Cost reimbursement	5 (1)	- (-)	- (-)	- (-)
Interest Income	80 (69)	- (-)	- (-)	- (-)
Other receivable	1,021 (594)	- (-)	- (-)	- (-)
Payable				
Interest & other expenses	- (-)	49 (30)	- (-)	- (-)
ECB borrowing	- (-)	15,000 (15,000)	- (-)	- (-)
Reimbursement of salary	- (-)	33 (82)	- (-)	- (-)
Payable towards lease assets	89 (137)	- (-)	- (-)	- (-)
Payable towards director sitting fees				
Abhay Kakkar	- (-)	- (-)	- (1)	- (-)
Nagesh Dubey	- (-)	- (-)	- (1)	- (-)
Receivable towards premises deposit paid	- (-)	- (-)	- (-)	20 (20)
Payable towards rent & electricity Expenses	- (-)	- (-)	- (-)	8 (8)

Figures in brackets relate to previous year.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



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Notes to the financial statements for the year ended 31 March 2022

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

Compensation of key management personnel of the Company

	31-Mar-22	31-Mar-21
Short-term employee benefits	593	631
Post-employment gratuity and medical benefits	45	36
Termination benefits	-	-
Share-based payment transactions	-	-
Total compensation paid to key management personnel	638	667

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Generally, the independent directors do not receive gratuity entitlements from the Company. During the year ended 31 March 2022, an amount of ₹ 7 lakhs paid as director sitting fees.

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Notes to the financial statements for the year ended 31 March 2022

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

41 Segment information

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 31 March 2022 or 31 March 2021.

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42 Fair values

Accounting classification and fair values

The carrying value of financial instruments by categories is as under:

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.

	As at 31 March 2022		
	Amortised cost	FVTPL	FVTOCI
Financial assets			
Trade receivables	7,515	-	-
Cash and cash equivalents	901	-	-
Bank balances other than above	334	-	-
Loans	14	-	-
Other financial assets	8,694	-	-
Financial liabilities			
Borrowings	86,832	-	-
Lease liabilities	1,331	-	-
Trade payables	7,938	-	-
Other financial liabilities	6,664	-	-

	As at 31 March 2021		
	Amortised cost	FVTPL	FVTOCI
Financial assets			
Trade receivables	6,200	-	-
Cash and cash equivalents	1,414	-	-
Bank balances other than above	319	-	-
Loans	3	-	-
Other financial assets	6,281	-	-
Financial liabilities			
Borrowings	74,067	-	-
Lease liabilities	884	-	-
Trade payables	6,871	-	-
Other financial liabilities	6,016	-	-

The following assumptions/ methods were used to estimate fair values:

- The fair value of cash and cash equivalents, other current financial assets and trade payables are considered to be same as their carrying values due to their short term nature
- The carrying amount of other items carried at amortised cost are reasonable approximation of their fair value.
- The fair value of the financial assets and liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities

Level 2: valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.



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42 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022:

31 March 2022	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Financial assets measured at amortised cost					
Trade receivables	7,515	-	-	-	-
Cash and cash equivalents	901	-	-	-	-
Bank balances other than above	334	-	-	-	-
Loans	14	-	-	-	-
Other financial assets	8,694	-	-	-	-
	<u>17,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities					
Financial liabilities measured at amortised cost					
Borrowings	86,832	-	-	-	-
Lease liabilities	1,331	-	-	-	-
Trade payables	7,938	-	-	-	-
Other financial liabilities	6,664	-	-	-	-
	<u>1,02,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

31 March 2021	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Financial Assets measured at amortised cost					
Trade receivables	6,200	-	-	-	-
Cash and cash equivalents	1,414	-	-	-	-
Bank balances other than above	319	-	-	-	-
Loans	3	-	-	-	-
Other financial assets	6,281	-	-	-	-
	<u>14,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities					
Financial liabilities measured at amortised cost					
Borrowings	74,067	-	-	-	-
Lease liabilities	884	-	-	-	-
Trade payables	6,871	-	-	-	-
Other financial liabilities	6,016	-	-	-	-
	<u>87,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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I. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

- (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.
(4) Fairvalue is done as at the year end.

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.

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42 Financial instruments – Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, security deposits, cash and cash equivalents, bank balances that derive directly from its operations.

Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Market risk ;
- Interest rate risk ;
- Foreign currency risk ;
- Credit risk ; and
- Liquidity 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.

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.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for the contingent consideration liability is provided in Note 39.

The assumptions have been made in calculating the sensitivity analyses of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

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 Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	As at 31 March 2022	As at 31 March 2021
Interest bearing financial liabilities		
Fixed rate borrowings		
Term Loan from Banks	15,625	7,500
Term loan from Parent Company (ORIX Corporation-Japan)	15,000	15,000
Lease liabilities	1,331	885
Security Deposits	209	204
Total	32,165	23,589
Variable rate borrowings		
Term Loan from Banks	25,083	30,332
Short Term Loan From Banks	1,000	-
Cash Credit and Overdraft facilities From Banks	619	-
Working capital Demand Loan	29,500	21,100
Book Overdraft	3	125
Total	56,205	51,557



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42 Financial instruments – Financial risk management objectives and policies

Interest bearing financial assets	As at 31 March 2022	As at 31 March 2021
Fixed Rate		
Bank Deposits	334	322
Loan to Employees	14	3
Security Deposits	513	410
Total	861	735
Variable Rate		
Receivable on account of cost recoveries	1,275	1,042
Total	1,275	1,042

i. Interest rate risk

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

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the affected portion of loans and borrowings. The Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Profit or (loss)	
	100 bp increase	100 bp decrease
As at		
31 March 2022		
Variable-rate instruments	(549)	549
Cash flow sensitivity (net)	(549)	549
As at		
31 March 2021		
Variable-rate instruments	(505)	505
Cash flow sensitivity (net)	(505)	505

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.

ii) Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries

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, 2022

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

iii. 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. Amounts arising from ECL

i. Inputs, assumptions and techniques used for estimating impairment on Operating Lease, Rent-a-car and business transport solutions receivables

Assumption and Estimation techniques considered in the ECL model:

- "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs.
- "Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. Stage 3 assets are considered to have a 100% PD.
- "Exposure at default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company.

The ECL has been computed on trade receivables in accordance with simplified approach based on days past due buckets of respective portfolios. The days past due has been adjusted to give effect to following:

- the time lag between the raising of invoices and handing it over to the customer.
- the credit period mentioned in respective invoice
- the time lag incorporated for Car Rental and Business Transport Solution ('BTS') is 90 days. *
- the probability of default is based on the historical trends of impairment of trade receivables. The historical trends are adjusted with macro economic factors to make it forward looking.
- Loss given default is based on the recovery pattern for the default clients, as well as Basel guidelines.
- Given the economic scenario, an additional LGD of 5% has been factored in for Car Rental and BTS
- The company categorises receivables into stages based on the days past due status adjusted to give effect of credit period and time lag for invoicing.

Stage	Days past due			
	Operating Lease	* Car Rental	* Business Transport Solution	Others
Stage 1	0-30	0-120	0-120	0-30
Stage 2	31-90	120-180	120-180	31-90
Stage 3	More than 90	More than 180	More than 180	More than 90

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iii. Credit risk

b. Amounts arising from ECL

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, 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 2022	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 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%

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

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ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Notes to the financial statements for the year ended 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

iii. Credit risk

b. Amounts arising from ECL

ii Exposure at default and Loss allowance

Exposure at default

31 March 2022	OL	RAC	Business Transport Solution	Others	Total
Stage 1	1,547	3,382	1,440	6,501	12,870
Stage 2	245	34	30	32	341
Stage 3	482	206	292	82	1,062
Total	2,274	3,622	1,762	6,615	14,273
Loss Allowance	81	124	159	95	458

31 March 2021	OL	RAC	Business Transport Solution	Others	Total
Stage 1	1,400	2,011	1,074	4,288	8,773
Stage 2	649	90	7	94	840
Stage 3	359	413	333	123	1,228
Total	2,408	2,514	1,414	4,505	10,841
Loss Allowance	37	225	165	103	529

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 2022	As at 31 March 2021
Operating Lease		
Balance as the beginning of the year	37	46
Impairment loss recognised (net)	44	(9)
Balance as at the year end	81	37
RAC		
Balance as the beginning of the year	225	158
Impairment loss recognised (net)	(101)	67
Balance as at the year end	124	225
BTS		
Balance as the beginning of the year	165	135
Impairment loss recognised (net)	(6)	30
Balance as at the year end	159	165
Others		
Balance as the beginning of the year	103	83
Impairment loss recognised (net)	(8)	20
Balance as at the year end	95	103
Total Loss allowance	459	530

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

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42 Financial instruments – Fair values and risk management

iv. 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. The Company closely monitors its liquidity position and deploys a robust cash management system. The Company manages liquidity risk by maintaining borrowing liabilities by continuously monitoring forecast and actual cash flows, profile of financial assets and liabilities. It maintain adequate source of financing including loans from bank at optimise cost.

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.

31 March 2022	Carrying amount	Contractual cash flows					
		Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets							
Trade receivables	7,515	7,515	7,515				
Cash and cash equivalents	901	901	901				
Bank balances other than above	334	334	334				
Loans	14	14	14				
Other financial assets	8,694	8,694	4,099	1,201	1,742	1,611	41
Total :	17,458						

31 March 2022	Carrying amount	Contractual cash flows					
		Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	86,832	95,010	31,478	23,967	20,430	19,135	-
Lease liabilities	1,331	1,331	124	124	241	663	179
Trade payables	7,938	7,938	7,938				
Other financial liabilities	6,664	6,664	6,584	12	11	57	-
Total :	1,02,765						

		Contractual cash flows					
31 March 2021	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets							
Trade receivables	6,200	6,200	6,200				
Cash and cash equivalents	1,414	1,414	1,414				
Bank balances other than above	319	319	319				
Loans	3	3	3				
Other financial assets	6,281	6,281	3,341	791	1,020	1,088	41
Total :	14,217						

		Contractual cash flows					
31 March 2021	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	74,067	80,421	40,649	7,716	10,023	22,033	-
Lease liabilities	885	885	80	61	131	311	302
Trade payables	6,871	6,786	6,786				
Other financial liabilities	6,016	6,016	5,963	7	7	39	-
Total :	87,839						

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

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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Notes to the financial statements for the year ended 31 March 2022

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

43 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 2022	As at 31 March 2021
Non-Current Borrowings	39,377	28,510
Current Borrowings	31,124	21,235
Current maturity of long term debt	16,331	24,322
Lease liabilities (refer note 38)	1,331	884
Gross Debt	88,163	74,951
Less - Cash and Cash Equivalents	(901)	(1,414)
Adjusted Net debt	87,262	73,537
Total equity	51,812	52,547
Adjusted Net debt to adjusted equity ratio	1.68	1.40

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44 Ratio Analysis and its elements

Ratio	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	% change	Remark
Current Ratio	Current Assets	Current Liabilities	0.32	0.33	-1.25%	
Debt - Equity Ratio	Total Debts	Shareholder's Equity	6.78	5.79	17.23%	
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = interest & Lease Payments - Principal Repayments	0.49	0.48	1.33%	
Return on Equity ratio	Net Profit after taxes - Preference Dividend	Average Shareholder's Equity	-5.50%	-24.51%	77.31%	Increase in the ratio on account of reduction in loss incurred during the year.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	66.41	54.82	21.14%	
Trade Receivable Turnover ratio	Net credit sales - Gross credit sales - Sales return	Average Trade Receivables	7.86	4.43	77.57%	Increase in ratio on account of increase in revenue and decrease in receivables in current year
Trade Payable Turnover ratio	Net credit purchases = Gross credit purchases - Purchase return	Average Trade Payables	0.20	0.14	40.01%	Increase in ratio on account of decrease in payables
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	(1.20)	(1.13)	-6.59%	
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	-1.37%	-6.68%	79.51%	Increase in the ratio on account of reduction in loss incurred during the year.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debts + Deferred Tax Liability	2.91%	1.43%	103.93%	Increase in ratio on account of increase in earnings and increase in capital employed
Return on investment	interest (Finance income)	Investment	0.03%	0.01%	168.65%	Increase in ratio on account of increase in interest income

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ORIX Auto Infrastructure Services Limited

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Notes to the financial statements for the year ended 31 March 2022

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

45 Other Statutory Information

- i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Company do not have any transactions with companies struck off.
- iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall :
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi) The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

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Notes to the financial statements for the year ended 31 March 2022

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

46 Repayment schedule of long term borrowing :

Loan as on 31 March 2022 are repayable as stated blow

	Interest Rate	1-2 years	2-3 years	3-5 years	Total
Floating					
Monthly	7.40% - 9.15%	1,277	1,277	532	3,086
Quarterly	7.40% - 8.15%	5,089	3,750	1,563	10,402
Fixed					
Monthly	6.30%	1,875	1,875	-	3,750
Quarterly	6.25%	4,000	3,000	-	7,000
Bullet Payment	7.69%	-	15,000	-	15,000
Total		12,241	24,902	2,095	39,238

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
Bullet Payment					-
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

Note : Processing fees of ₹ -0 (Previous year ₹ -2) and Interest payable on term loan of ₹ 140 (Previous year ₹ 98) not included in above table.

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ORIX Auto Infrastructure Services Limited

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Notes to the financial statements for the year ended 31 March 2022

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

47 Change in liabilities arising from financing activities

	01 April 2021	Cash Flows	31 March 2022
Long term borrowing	37,832	2,875	40,707
Short term borrowing	21,110	9,392	30,502
Cash credit & overdraft facility from bank	-	619	619
ECB Borrowing	15,000	-	15,000
Lease Liability on principal component	882	(187)	695
Lease liability Interest portion	19	(97)	(78)
Finance cost	-	(5,355)	(5,355)
Total	74,843	7,247	82,090

	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
ECB Borrowing	15,000	-	15,000
Lease Liability on principal component	1,077	(195)	882
Lease liability Interest portion	103	(84)	19
Finance cost	-	(6,071)	(6,071)
Total	90,144	(21,372)	68,772

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Notes to the financial statements for the year ended 31 March 2022

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

48 Dues to Micro and Small Enterprises as defined under the MSMED Act, 2006.

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).

	As at 31 March 2022	As at 31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-Principal amount due to micro and small enterprises	816	164
-Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

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

	As at 31 March 2022		As at 31 March 2021	
	Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Amount payable for Bank Guarantee fees (USD)	0	35	0	29
Amount payable for Bank Commitment Charges (USD)	0	15	0	1
Amount payable for Reimbursement of Salary (YEN)	53	33	124	82

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.

50 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

51 In view of the COVID-19 pandemic, the Company has assessed the counter party credit risk in case of financial assets (comprising cash and cash equivalents, bank deposits and investments) and considered subsequent recoveries, past trends, credit risks profile of customers in case of trade receivables and unbilled revenues. The company while assessing Right to Use and Investment in subsidiaries have considered past trend, future business projections and doesn't foresee any significant downsizing of operations. As at the balance sheet date and period subsequent to that until adoption of financial statement, the Company has evaluated impact of COVID 19 on its financial statements and recorded necessary adjustments if required. The Impact of COVID 19 may differ in future from that of estimated as at the date of approval of these financial statements.

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

53 Value zero represent amount less than fifty thousand and (-) represent Nil.



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ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Notes to the financial statements for the year ended 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

54 The Supreme court of India in its judgement dated 28th February 2019, has clarified that any emolument paid universally, necessarily and ordinarily to all employees across the board are to be considered as basic wage and accordingly needs to be considered for calculation of Provident Fund contribution. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligation for the past periods. As a result, Company has applied the judgement prospectively and has assessed its obligation to be insignificant and hence not accrued this obligation.

55 Capital commitments

	As at 31 March 2022	As at 31 March 2021
Capital commitment (net of advances)	5,079	454

56 Previous year figures have been audited by a firm other than S.R. Batliboi & Associates LLP and have been regrouped and rearranged wherever necessary.

As per our report of even date attached.

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No. 101049W/E300004

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Sanjay Bachchani
Partner
Membership No: 400419

Place: Gurugram
Date : 29 July 2022

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)

VIVEK
WADHERA

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Vivek Wadhera
Chief Financial Officer

Place: Mumbai
Date : 29 July 2022

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Takashi Yamasaki
Director
(DIN - 09238975)

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GANDHI

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Jay Gandhi
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of ORIX AUTO INFRASTRUCTURE SERVICES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of ORIX Auto Infrastructure Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at 31 March, 2022, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group, as at 31 March, 2022, their consolidated profit and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards 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 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 audit opinion on the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report, but does not include the consolidated financial statements and our auditor's 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 such 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.



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Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2021 specified under section 133 of the Act. The respective 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 the Group 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 the 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 Board of Directors of the Holding Company, as aforesaid.

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

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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:

- a) 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.
- b) 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 Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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



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- 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.
- e) 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.
 - f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.

Other Matter

- a) We did not audit the financial statements and other financial information, in respect of 1 subsidiary, whose financial statements include total assets of Rs 2,38,209 Lakhs as at 31 March, 2022, and total revenues of Rs 25,176 Lakhs and net cash inflows of Rs 17 Lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors
- b) The consolidated financial statements of the Company for the year ended 31 March, 2021, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 29 July, 2021.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, , incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure I" a statement on the matters specified in paragraphs 3(xxi) of the Order.



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2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Companies (Accounting Standards) Rules, 2021 specified under section 133 of the Act;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, is disqualified as on 31 March, 2022 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 Holding Company and its subsidiary companies, , and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended 31 March, 2022 has been paid / provided by the Holding Company, its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us [and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 39 to the consolidated financial statements;
 - ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March, 2022;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India during the year ended 31 March, 2022.
 - iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the note 45 to the consolidated financial statements, no funds have



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been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, other than as disclosed in the note 45 to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) No dividend has been declared or paid during the year by the Holding Company, its subsidiaries companies, incorporated in India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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per Sanjay Bachchani

Partner

Membership Number: 400419

UDIN: 22400419ANVBF6876



Place: Gurugram, Haryana

Date: 29 July 2022

Annexure 1 referred to in paragraph 1 of report on other legal and regulatory requirements

Re: ORIX Auto Infrastructure Services Limited ('the Group')

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**SANJAY
BACHCHANI**

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per Sanjay Bachchani

Partner

Membership Number: 400419

UDIN: 22400419ANVBFE6876

Place: Gurugram

Date: 29 July 2022

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
CONSOLIDATED FINANCIAL STATEMENTS OF ORIX AUTO INFRASTRUCTURE
SERVICES LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of ORIX Auto Infrastructure Services Limited (hereinafter referred to as the "Holding Company") as of and for the year ended 31 March, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.



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Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to the 1 subsidiary which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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per Sanjay Bachchani
Partner

Membership Number: 400419
UDIN: 22400419ANVBF6876

Place: Gurugram, Haryana
Date: 29 July 2022

ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Consolidated Balance Sheet as at 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

	Notes	As at 31 March 2022	As at 31 March 2021
I Assets			
Non-current assets			
(a) Property, plant and equipment	2	72,805	65,020
(b) Other intangible assets	3	496	615
(c) Intangible assets under development	3	96	-
(d) Right-of-use assets	4	1,510	862
(e) Financial assets			
i. Loans	5	1,62,661	1,79,296
ii. Other financial assets	6	7,725	4,732
(f) Deferred tax assets (net)	35	15,398	14,790
(g) Other non-current assets	7	12,984	8,319
Total non-current assets		2,73,675	2,73,634
Current assets			
(a) Inventories	8	2,453	337
(b) Financial Assets			
i. Trade receivables	9	8,666	7,393
ii. Cash and cash equivalents	10	5,983	6,394
iii. Bank balances other than (ii) above	11	443	411
iv. Loans	12	41,605	42,133
v. Other financial assets	13	6,117	4,480
(c) Other current assets	14	15,493	11,658
Total current assets		80,760	72,806
Total assets		3,54,435	3,46,440
II Equity and liabilities			
Equity			
(a) Equity share capital	15	12,800	12,800
(b) Other equity	16	62,124	61,428
Total equity		74,924	74,228
Non-current liabilities			
(a) Financial liabilities			
i. Borrowings	17	1,39,594	1,35,540
ii. Lease liabilities	18	1,389	847
iii. Other financial liabilities	19	1,221	974
(b) Net employee defined benefit liabilities	20	878	590
(c) Other non-current liabilities	21	1,095	1,054
Total non-current liabilities		1,44,177	1,39,005
Current liabilities			
(a) Financial liabilities			
i. Borrowings	22	1,10,314	1,10,314
ii. Lease liabilities	23	350	193
iii. Trade payables	24		
- total outstanding dues of micro and small enterprises		817	168
- total outstanding dues of creditors other than micro and small enterprises		10,782	9,380
iv. Other financial liabilities	25	11,161	9,320
(b) Net employee defined benefit liabilities	26	411	338
(c) Other current liabilities	27	1,499	3,494
Total current liabilities		1,35,334	1,33,207
Total equity and liabilities		3,54,435	3,46,440

Summary of significant accounting policies 1

The accompanying notes are an integral part of these Financial Statements

As per our report of even date attached.

For S.R. Batliboi & Associates LLP

Chartered Accountants

Firm Registration No. 101049W/0300004

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Sanjay Bachchani

Partner

Membership No: 400419

For and on behalf of the Board of Directors

ORIX Auto Infrastructure Services Limited

SANDEEP GAMBHIR
Digitally signed by SANDEEP GAMBHIR
Date: 2022.07.29
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Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

VIVEK WADHERA
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Vivek Wadhera
Chief Financial Officer

TAKASHI YAMASAKI
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Takashi Yamasaki
Director
(DIN - 09238975)

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Jay Gandhi
Company Secretary

Place: Gurugram
Date : 29 July 2022.

Place : Mumbai
Date : 29 July 2022.

ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Consolidated statement of profit and loss for the year ended 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
I Revenue			
Revenue from operations	28	75,568	78,270
Other income	29	1,477	1,815
Total income		77,045	80,085
II Expenses			
Cost of materials consumed	30	1,458	1,230
Employee benefit expense	31	10,282	10,728
Finance cost	32	17,159	20,828
Depreciation and amortisation expense	33	22,159	23,350
Other expenses	34	25,695	21,539
Total expenses		76,753	77,675
III Profit before tax		292	2,410
IV Tax expenses			
Current tax	35	1,313	2,947
Adjustments of tax relating to earlier years		(1,162)	-
Deferred tax		(596)	(2,244)
Total tax expenses		(445)	703
V Profit for the year		737	1,707
VI Other comprehensive income			
A Other comprehensive income not to be reclassified to profit or loss in subsequent period			
Re-measurements on defined benefit plan		(53)	200
Income tax effect		12	(48)
Total other comprehensive income		(41)	152
VII Total comprehensive income for the year		696	1,859
VIII Earnings per equity share (Face value ₹ 10 per share (31st March 2021 ₹ 10 per share))	36		
Basic and diluted earning per share in ₹		0.54	1.45
Summary of significant accounting policies	1		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No. 101049W/E300004

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Sanjay Bachchani
Partner
Membership No: 400419

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

SANDEEP GAMBHIR
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Date: 2022.07.29
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Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

VIVEK WADHERA
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Vivek Wadhera
Chief Financial Officer

TAKASHI YAMASAKI
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Takashi Yamasaki
Director
(DIN - 09238975)

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Jay Gandhi
Company Secretary

Place: Gurugram
Date : 29 July 2022.

Place : Mumbai
Date : 29 July 2022.

ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Consolidated statement of Changes in Equity (SOCIE) for the year ended 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

(a) Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Equity share of ₹ 10 each Issued, subscribed and fully paid				
Balance at the beginning of the reporting year	12,79,96,498	12,800	12,79,96,498	12,800
Changes in Equity share capital due to prior period errors	-	-	-	-
Restated balance	12,79,96,498	12,800	12,79,96,498	12,800
Issue of Share Capital	-	-	-	-
Balance at the end of the reporting year		<u>12,800</u>		<u>12,800</u>

(b) Other equity

	Reserves and Surplus				Other Reserves	Total
	Statutory reserve	Securities premium	General Reserve	Retained earnings	Other Comprehensive Income	
Balance at 1 April 2020	3,527	39,985	1,856	14,984	(783)	59,569
Profit for the year	-	-	-	1,707	-	1,707
Other comprehensive income for the year	-	-	-	-	152	152
Transfer to statutory reserve	952	-	-	(952)	-	-
Balance at 31 March 2021	<u>4,479</u>	<u>39,985</u>	<u>1,856</u>	<u>15,739</u>	<u>(631)</u>	<u>61,428</u>
Balance at 1 April 2021	4,479	39,985	1,856	15,739	(631)	61,428
Profit for the year	-	-	-	737	-	737
Other comprehensive income for the year	-	-	-	-	(41)	(41)
Transfer to statutory reserve	277	-	-	(277)	-	-
Balance at 31 March 2022	<u>4,756</u>	<u>39,985</u>	<u>1,856</u>	<u>16,199</u>	<u>(672)</u>	<u>62,124</u>

Summary of significant accounting policies

1

The accompanying notes form an integral part of these financial statements

As per our report of even date attached.

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No. 101049W/E300004

SANJAY BACHCHANI
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Sanjay Bachchani
Partner
Membership No: 400419

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

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Date: 2022.07.29
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Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

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Date: 2022.07.29
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Vivek Wadhera
Chief Financial Officer

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Takashi Yamasaki
Director
(DIN - 09238975)

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Date: 2022.07.29
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Jay Gandhi
Company Secretary

Place: Gurugram
Date : 29 July 2022.

Place : Mumbai
Date : 29 July 2022.

ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Consolidated cash flow statement for the year ended 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

	Year ended 31 March 2022	Year ended 31 March 2021
Operating activities		
Profit before tax	292	2,410
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation of property plant and equipment and right-of-use asset	21,949	23,148
Amortisation on other intangible assets	210	203
Provisions for gratuity & leave encashment	308	83
Gain on disposal of property plant and equipment	(196)	(537)
Finance costs (including fair value change in financial instrument)	17,127	20,816
Gain on termination of lease	(45)	(108)
Interest on lease liability	125	105
Interest income on fixed deposits	(89)	(116)
Provision for expected credit losses	1,364	4,099
Bad debts written off	3,754	-
Miscellaneous expenses (sundry balances written off)	13	41
Sundry balances written back	(168)	(198)
Operating profit before working capital changes	44,644	49,946
Working capital adjustments:		
(Increase) / Decrease in inventories	(2,116)	54
(Increase) / Decrease in trade receivable	(1,202)	7,819
Decrease in loan and advances	12,387	19,279
(Increase) / Decrease in short term loan	(10)	54
(Increase) in other financial assets	(4,724)	(2,390)
(Increase) / Decrease in other assets	(4,101)	3,384
Increase in provisions	0	25
Increase / (Decrease) in trade payables	2,002	(3,035)
Increase in financial liabilities	2,205	3,839
Increase / (Decrease) in other current liabilities	(1,806)	684
Increase in other non current liabilities	41	80
	47,320	79,739
Less : taxes paid (net of refund)	(3,757)	(3,366)
Net cash flows from operating activities - A	43,563	76,373
Investing activities		
Purchase of property plant and equipment including capital advances, capital creditors and capital work-in-progress	(40,495)	(23,653)
Proceeds from sale of property plant and equipment	9,935	12,622
Investment in fixed deposits	(184)	(391)
Redemption of fixed deposits	154	143
Interest income on fixed deposits	94	95
Net cash used in by investing activities - B	(30,496)	(11,184)
Financing activities		
Proceeds from long term borrowing	62,907	61,921
Repayment of long term borrowing	(80,102)	(93,193)
Proceeds from short term borrowing	1,38,850	77,478
Repayment of short term borrowing	(1,20,858)	(92,152)
Proceeds from cash credit	3,378	40
(Decrease) in lease liability on principal component	(280)	(305)
(Decrease) in lease liability Interest portion	(125)	(105)
Finance costs (including fair value change in financial instrument)	(17,127)	(20,817)
Net cash flow from / (used in) financing activities - C	(13,357)	(67,133)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(290)	(1,944)
Cash and cash equivalents as at the beginning of the year	6,269	8,213
Cash and cash equivalents as at the end of the year (Refer Note no. 10)	5,979	6,269



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ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Consolidated cash flow statement for the year ended 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

	Year ended 31 March 2022	Year ended 31 March 2021
Components of cash and cash equivalents		
Cash on hand	71	115
Balances with banks		
- in current accounts	3,603	4,032
- Deposits with original maturity of less than 3 months	2,309	2,230
- Cheques on hand	-	17
- Book overdraft	(4)	(125)
Total cash and cash equivalents (Refer note 10)	5,979	6,269

Reconciliation of liabilities arising from financing activities

	Lease liability
As at 01 April 2020	1,528
Cash flow	(410)
Non cash changes	78
As at 31 March 2021	1,040
As at 01 April 2021	1,040
Cash flow	(404)
Non cash changes	(1,103)
As at 31 March 2022	1,739

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.
- 3) Refer note 47 for Change in liabilities arising from financing activities.

Summary of significant accounting policies

1

The accompanying notes form an integral part of these financial statements

As per our report of even date attached.

For S.R. Battiboi & Associates LLP

Chartered Accountants
Firm Registration No. 101049W/E300004

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Sanjay Bachchani
Partner
Membership No: 400419

Place: Gurugram
Date : 29 July 2022.

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
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Vivek Wadhera
Chief Financial Officer

Place : Mumbai
Date : 29 July 2022.

TAKASHI YAMASAKI
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Takashi Yamasaki
Director
(DIN - 09238975)

JAY NIRANJAN GANDHI
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Jay Gandhi
Company Secretary

ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Consolidated notes to the financial statements for the year ended 31 March 2022

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

1. Group information and significant accounting policies

1.1 Group information

The consolidated financial statements relate to ORIX Auto Infrastructure Services Limited ("the Group"/ "O AIS") its subsidiaries for the year ended 31 March 2022. The Company is the public company domiciled in India and is incorporate under the Companies Act, 1956 on 2 March 1995 and obtained certificate of commencement of business in 1995. 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.

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. Information on the Group's structure is provided in Note 51. Information on other related party relationships of the Group is provided in Note 40.

OHFC was incorporated on April 21, 2018 with the objective of carrying out the business of Housing Finance Company (HFC) in India. It 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 then prevailing unfavourable market scenario 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 FY 2019-20. The Board of Directors of the O AIS had approved for merger of the OHFC into O AIS in their meeting held on March 22, 2022, subject to approval of shareholders, creditors and Ministry of Corporate Affairs. Accordingly, O AIS and OHFC are in the process of merger.

1.2 Significant Accounting policies

(a) Basis of preparation

These consolidated financial statements of the Group has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

The consolidated financial statements have been prepared in Indian Rupee (₹), which is the functional currency of the Group. All amounts are rounded to nearest Indian Rupee (₹) in lakhs except where otherwise stated.

The 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.

These consolidated financial statements were approved by the Company's Board of Directors and authorised for issue on 29th July 2022

The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows. The statement of cash flows have been prepared under indirect method.

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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Consolidated notes to the financial statements for the year ended 31 March 2022

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

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.

(b) Basis of Consolidation

The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the parent and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances/ transactions and resulting profits in full. Unrealized profit / losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the group.
- b) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Group's separate financial statements. Differences in accounting policies have been disclosed separately.
- c) The difference between the cost to the Group of investment in Subsidiaries and the proportionate share in the equity of the investee company as at the date of acquisition of stake, if any, is recognized in the consolidated financial statements as Goodwill or Capital reserve, as the case may be. Goodwill arising on consolidation is tested for impairment at the Balance Sheet date.
- d) Minority interest in net profits of consolidated subsidiaries for the period is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minority are in excess of their equity, in the absence of the contractual obligation on the minority, the same is accounted for by the holding company.
- e) Minority interest in net profits of consolidated subsidiaries for the period is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minority are in excess of their equity, in the absence of the contractual obligation on the minority, the same is accounted for by the holding company.
- f) The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the group i.e. period ended 31 March 2022.

(c) Current vs. non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.



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A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(d) Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the Group's functional currency.

Transactions and balances:

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction and for recognition uses the exchange rate between the reporting currency and the foreign currency as at that date.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(e) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

ORIX Auto Infrastructure Services Limited

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each balance sheet date.

The Group determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value.

External valuers are involved for valuation of significant assets, unquoted financial assets, and significant liabilities, such as valuation of unquoted investments and equity settled employee share based payment plan. Involvement of external valuers is decided upon annually by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company's management decides with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company's management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Company's management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company's management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The Company management present the valuation results to the Board of Directors and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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This note summarises accounting policy for fair value. Other fair value related disclosure are given in the relevant notes

- Quantitative disclosures of fair value measurement hierarchy (Note 42)
- Investment in unquoted equity shares (Note 5)
- Financial instruments (including those carried at amortised cost) (Note 42)

(f) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 28

The Group 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 Group expects to receive in exchange for those products or services.

Income from operations is recognized on accrual basis.

Operating lease income:

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

In respect of Maintenance Linked Leases (MLL), lease rentals are segregated between income for asset leased and maintenance charges. For maintenance contract, a budgeted maintenance reserve is created and a corresponding asset as lease finance charge. The maintenance reserve is amortised using the sum of years digit method and lease finance charges is amortised using the Internal Rate of Return Method. The maintenance costs are recognised and accounted for as expenses as and when incurred.

Finance lease income:

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 Leases (MLL), lease rentals are segregated between income for asset leased and maintenance charges. The Finance income is apportioned over the primary lease at Internal Rate of Return Method. For maintenance contract, a budgeted maintenance reserve is created and a corresponding asset as lease finance charge. The maintenance reserve is amortised using the sum of years digit method and lease finance charges is amortised using the 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 including incremental employee cost for lease is amortised as expense over the lease period.

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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Consolidated notes to the financial statements for the year ended 31 March 2022

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

Loan against hypothecation and Loan against property income:

The loan income is apportioned over the tenure at Internal Rate of Return Method.

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.

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 recognised over the period.

Rental Income from Car Rental - Self Drive (SD):

Income earned on vehicles rented is recognised as rental income from Self Drive. Car rental income and service charges are recognised over the period.

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 recognised over the period.

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.

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 completion of service.

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.

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from Business Transport Solutions business because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section t) Financial instruments – initial recognition and subsequent measurement.



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Consolidated notes to the financial statements for the year ended 31 March 2022

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

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (I) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

(g) Taxes

Current tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b. In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

c. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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ORIX Auto Infrastructure Services Limited

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

d. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(h) Property, plant and equipment

Property, plant and equipment (PPE) 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.

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 leases are finance leases in nature.

Vehicles given by the Group under operating lease are included in property, plant and equipment.

Depreciation

Depreciation is charged on a pro-rata basis for Property, Plant and Equipment purchased and sold during the year. Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013.

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of vehicles, plant and machinery, furniture and fixtures over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.



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ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Consolidated notes to the financial statements for the year ended 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

Followings are the estimated useful lives of various category of assets used.

Category of assets	Useful life
Leasehold improvements	Over lease period
Self-Drive vehicles	5 years
Business Transport Solution Own vehicles	Over contract period
Furniture, equipment's to employees	Block of 4 years
Furniture and fixtures	7 years
Own executive vehicles	Over contract period
Plant and machinery	5 years
Motor Vehicles under operating lease	5 years
Commercial Vehicles under operating lease	6 years

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss at the time of incurrence.

(i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangibles are capitalised at cost of acquisition including cost attributable to readying the asset for use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure for use is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets under development are measured at the amount incurred till the asset is put to use. This is separately disclosed under the Financial statement.

Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on dercognition 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 lives of intangible assets are assessed as finite are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss over the available useful life of 6 years.

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ORIX Auto Infrastructure Services Limited**CIN : U63032MH1995PLC086014****Consolidated notes to the financial statements for the year ended 31 March 2022****(All amounts are in INR Lakhs, except as stated otherwise)**

Amortisation method and useful lives are reviewed periodically including at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Category of assets	Useful life	Amortisation method	Internally generated or acquired
Software	6 years	Straight line method	Acquired

(j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

(k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Group as a lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date.

Right-of-use assets are depreciated on a straight-line basis over the lease term.



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ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments to the lessor. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(l) 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 realisable 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.

(m) Impairment of Non-financial assets

The Group assesses, at each balance sheet date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(n) Provisions, Contingent liability and Contingent assets

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes.

Contingent assets are not recognised in the financial statements. A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the Ind AS Financial Statement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions and contingent liabilities are reviewed at each balance sheet date.



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(o) Retirement and other employee benefits:

Retirement benefit in the form of provident fund (PF) & employee state insurance (ESIC) is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent of the pre-payment.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The Group has taken group gratuity- cum -life assurance scheme of Life Insurance Corporation of India.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Past service costs and net interest calculated by applying the discount rate to the net defined benefit liability or asset, are recognised in profit or loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. These are presented as current liabilities in the balance sheet.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as Non-current liabilities in the balance sheet.

(p) Financial instruments


A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place

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(regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost

A 'Financial instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

The Group's financial assets at amortised cost includes trade receivables, balances with banks, and other financial assets.

Financial asset at FVTOCI

Financial asset is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Financial asset included within the FVTOCI category are measured initially as well as at each balance sheet at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L.

Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to classify a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.


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De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets are measured at amortised cost e.g., deposits and trade receivables
- b. Lease receivables under Ind-AS 17.
- c. Contract assets and trade receivables under Ind-AS 18.

The Group follows 'simplified approach' for recognition of impairment loss allowance on: Trade receivables and deposits. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each balance sheet date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

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As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

The balance sheet presentation for various financial instruments is described below:

For financial assets measured as at amortised cost: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk, to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

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Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Re-classification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



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(q) 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.

(r) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(s) 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 period are adjusted for the effects of all dilutive potential equity shares.

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(f) **Significant accounting judgement, estimates and assumptions**

In application of Company's accounting policies, which are described in Note 2, the directors of the company are required to make judgements, estimations, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

• **Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments - Company as a lessee

The Company has entered into lease agreements with lessor and has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it does not retain the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

• **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Taxes

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and

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mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit plan is highly sensitive to in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds with term that correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in note 37.

Provision for trade receivable

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience adjusted for forward-looking estimates. Individual trade receivables are written off when management deems them not to be collectible. For details of expected credit losses please refer note 9.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are accompanied together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Company's of assets ('CGU').

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Property, plant and equipment and Intangible Assets

Refer note 2 and 3 for estimated useful life and carrying value of property, plant and equipment respectively. The charge in respect of periodic depreciation/amortization is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management at the time the asset is acquired/capitalized periodically, including at each financial period/year end, determines the useful lives and residual values of Company's assets. The lives are based on historical experience with similar assets as well as anticipation of future events, which may affect their life, such as changes in technology. The estimated useful life is reviewed at least annually.

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Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted price in active markets, their fair value is measured using valuation techniques including the present valuation technique. The inputs to these models are taken from observable markets where possible, but where this is not feasible a degree of judgement is required in establishing fair value. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could effect the reported fair value of financial instruments.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgements in making these assumptions and selecting the inputs to the impairment calculations based on Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of expected credit losses and its methodology please refer note 42.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment

(u) New and amended standards

Amendments to Ind AS 116: Covid- 19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019.

Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Company.



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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Consolidated notes to the financial statements for the year ended 31 March 2022

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

These amendments are applicable prospectively for annual periods beginning on or after the April 01, 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's financial statements.

Amendment to Schedule III

The Company has considered the amendments to Schedule III of the Companies Act 2013 notified by Ministry of Corporate Affairs ("MCA") via notification dated March 24, 2021, in the Standalone Ind AS Financial Statements disclosures, wherever applicable.

Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

Interest Rate Benchmark Reform - Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.

Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS, includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021 .

These amendments had no impact on the financial statements of the Company.

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2 Property, plant and equipment #

	Buildings under finance lease*	Leasehold improvements	Plant and equipments	Furniture and fixtures	Vehicles	Data processing equipments	Office equipments	Vehicles given under Operating lease	Total
Gross block									
As at 01 April 2020	3,144	866	12	215	22,876	1,157	471	98,735	1,27,476
Additions	-	-	-	9	981	39	16	20,299	21,364
Transfers	-	-	-	-	-	-	-	(5,167)	(5,167)
Disposals	-	-	-	4	9,756	-	7	21,888	31,655
As at 31 March 2021	3,144	866	12	220	14,101	1,216	480	91,979	1,12,018
As at 01 April 2021	3,144	866	12	220	14,101	1,216	480	91,979	1,12,018
Additions	-	-	3	19	2,299	86	35	36,654	39,096
Transfers	-	-	-	-	-	-	-	(1,877)	(1,877)
Disposals	-	26	-	27	3,240	118	66	24,985	28,462
As at 31 March 2022	3,144	840	15	212	13,160	1,184	449	1,01,771	1,20,775
Accumulated depreciation									
As at 01 April 2020	240	570	10	111	9,732	774	309	37,251	48,997
Charge for the year	60	136	1	34	3,613	157	75	18,662	22,738
Transfers	-	-	-	-	-	-	-	(3,705)	(3,705)
Disposals	-	-	-	3	6,748	-	8	14,273	21,032
As at 31 March 2021	300	706	11	142	6,597	931	376	37,935	46,998
As at 01 April 2021	300	706	11	142	6,597	931	376	37,935	46,998
Charge for the year	60	80	1	38	2,561	133	74	18,626	21,573
Transfers	-	-	-	-	-	-	-	(1,497)	(1,497)
Disposals	-	13	-	24	2,198	107	65	16,697	19,104
As at 31 March 2022	360	773	12	156	6,960	957	385	38,367	47,970
Net book value									
As at 31 March 2021	2,844	160	1	78	7,504	285	104	54,044	65,020
As at 31 March 2022	2,784	67	3	56	6,200	227	64	63,404	72,805

The Group has neither revealed nor impaired its Property, plant and equipment during the year ended on 31 March 2022 and 31 March 2021

* This includes leasehold land.

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3 Other intangible assets #

	Software	Total
Gross block		
As at 01 April 2020	927	927
Additions	387	387
Transfers	-	-
Disposals	-	-
As at 31 March 2021	1,314	1,314
As at 01 April 2021	1,314	1,314
Additions	93	93
Transfers	-	-
Disposals	6	6
As at 31 March 2022	1,401	1,401
Accumulated amortisation		
As at 01 April 2020	496	496
Amortisation for the year	203	203
Disposals	-	-
As at 31 March 2021	699	699
As at 01 April 2021	699	699
Amortisation for the year	210	210
Disposals	4	4
As at 31 March 2022	905	905
Net book value		
As at 31 March 2021	615	615
As at 31 March 2022	496	496

The Group has neither revalued nor impaired its intangible assets during the year ended on 31 March 2022 and 31 March 2021

Intangible Asset under Development (IAUD) ageing schedule

	Amount in IAUD for a period of				Total
As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Software projects in progress	96	-	-	-	96
As at 31 March 2021					
Software projects in progress	-	-	-	-	-

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4 Right-of-use assets #

	Right to use	Total
Gross carrying amount :		
As at 01 April 2020	2,197	2,197
Additions	30	30
Disposals	265	265
As at 31 March 2021	1,962	1,962
As at 01 April 2021	1,962	1,962
Additions	1,025	1,025
Disposals	665	665
As at 31 March 2022	2,322	2,322
Accumulated amortisation :		
As at 01 April 2020	850	850
Amortisation for the year	410	410
Disposals	160	160
As at 31 March 2021	1,100	1,100
As at 01 April 2021	1,100	1,100
Amortisation for the year	376	376
Disposals	664	664
As at 31 March 2022	812	812
Net book value		
As at 31 March 2021	862	862
As at 31 March 2022	1,510	1,510

Right-of-use assets includes office premises

* The Group has neither revalued nor impaired its Right-of-use assets during the year ended 31 March 2022 and 31 March 2021

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	As at 31 March 2022	As at 31 March 2021
5 Loans*		
Loan against hypothecation of vehicle	3,707	9,877
Loan against property	1,22,346	1,49,600
Finance leases	44,307	25,732
Less: impairment loss allowance	(7,699)	(5,913)
	<u>1,62,661</u>	<u>1,79,296</u>
*There are no loans measured at FVOCI or FVTPL or designated at FVTPL.		
6 Other financial assets		
Security deposit unsecured, considered good		
Security deposits- premises	229	80
Less: expected credit loss allowance	(10)	(14)
	<u>219</u>	<u>66</u>
Security deposits- petrol and sundry deposits	209	163
	<u>428</u>	<u>229</u>
Bank deposits with residual maturity of more than 12 months*	-	3
Retained interest on loan assigned	409	416
Out of pocket expenses recoverable	6,888	4,084
	<u>7,297</u>	<u>4,503</u>
Total	<u>7,725</u>	<u>4,732</u>
* Bank deposit with residual maturity of more than 12 months is pledged with VAT authorities in the year 31 March 2021 (current year : nil)		
7 Other non-current assets		
Unsecured, considered good		
Other		
Capital advance	3,112	1,902
Balances with statutory authorities- VAT input credit	1,778	1,730
Prepaid expenses	213	223
Advance tax (net of provision for tax - ₹ 25,959 (31 March 2021 ₹ 22,936))	7,881	4,464
	<u>12,984</u>	<u>8,319</u>
Total	<u>12,984</u>	<u>8,319</u>
8 Inventories		
At lower of cost or net realisable value		
Stores and spares	33	11
Assets held for sale	1,974	91
Retired vehicles held for sale*	446	235
	<u>2,453</u>	<u>337</u>
Total	<u>2,453</u>	<u>337</u>

During the year, the Group has repossessed/acquired assets in satisfaction of debt amounting to ₹ 1,859 lakhs (Loan against property), ₹ 231 lakhs (Commercial vehicle loans, with net fair value of ₹ 72 Lakh). Vehicles return back in case of finance lease is ₹ 43 lakhs. Such assets have been accounted for as "assets held for sale".

* The Group has created provision of ₹ 229 (31 March 2021 ₹ 229) which is netted off against retired vehicles held for sale.

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9 Trade receivable

	As at 31 March 2022	As at 31 March 2021
Trade receivable	9,231	8,040
Break up		
Secured, considered good	9,113	5,840
Unsecured, considered good	-	-
Trade receivables which have significant increase in credit risk	118	971
Trade receivable credit impaired	-	1,229
	<u>9,231</u>	<u>8,040</u>
Impairment Allowance (allowance for bad and doubtful debts)		
Secured, considered good	(488)	(96)
Unsecured, considered good	-	-
Trade receivables which have significant increase in credit risk	(77)	(64)
Trade receivable credit impaired	-	(487)
	<u>(565)</u>	<u>(647)</u>
Total	<u>8,666</u>	<u>7,393</u>

Clause (iv) Trade receivable aging schedule

31 March 2022	Current but not due	Outstanding for following periods from due dates of payments					Total
		Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	
(i) Undisputed Trade receivable - considered good	-	6,707	396	284	67	129	7,583
(ii) Undisputed Trade receivable - which have significant increase in credit risk	-	36	73	49	29	230	417
(iii) Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivable - Considered good	-	345	115	464	152	7	1,083
(v) Disputed Trade receivable - which have significant increase in credit risk	-	8	14	87	34	5	148
(vi) Disputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Total	-	<u>7,096</u>	<u>598</u>	<u>884</u>	<u>282</u>	<u>371</u>	<u>9,231</u>

31 March 2021	Current but not due	Outstanding for following periods from due dates of payments					Total
		Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	
(i) Undisputed Trade receivable - considered good	-	5,802	372	336	89	137	6,736
(ii) Undisputed Trade receivable - which have significant increase in credit risk	-	55	98	105	50	210	518
(iii) Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivable - Considered good	-	188	164	282	22	1	657
(v) Disputed Trade receivable - which have significant increase in credit risk	-	10	23	85	11	0	129
(vi) Disputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Total	-	<u>6,055</u>	<u>657</u>	<u>808</u>	<u>172</u>	<u>348</u>	<u>8,040</u>

* Due date has been considered from invoice date.

No trade or other receivable are due from director or other officers of the Group either severally or jointly with any other person. Not any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The movement in impairment allowance of trade receivable as follows :

	As at 31 March 2022	As at 31 March 2021
Opening balance	646	476
Addition / (Reversals)	(70)	170
Write-off (net of recovery)	(11)	-
Closing balance	<u>566</u>	<u>646</u>

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	As at 31 March 2022	As at 31 March 2021
10 Cash and cash equivalents		
Balance with banks :		
On current accounts	3,603	4,032
Deposits with original maturity of less than 3 months	2,309	2,230
Cheques on hand	-	17
Cash on hand	71	115
Total	5,983	6,394

For the purpose of cash flow, cash and cash equivalents comprise the above table.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

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*	443	411
TOTAL	443	411

* The bank deposits of ₹ 290 (31 March 2021 ₹ 366) have been kept as a security for registration with the VAT authorities of various states.

Short term deposits are made for varying periods between one day and three months depending on immediate cash requirements of the Group and earn interest at the respective short term deposit rates.

12 Loans*

Unsecured, Considered good unless otherwise stated		
Loans and advances to employees	28	8
Secured, Considered good unless otherwise stated		
Finance lease receivables	30,803	21,588
Loan against hypothecation	6,822	15,729
Loan against property	5,981	7,482
Less: Impairment loss allowance	(2,029)	(2,674)
Total	41,605	42,133

*There are no loans measured at FVOCI or FVTPL or designated at FVTPL.

13 Other financial assets

Non-Derivative asset

Security deposit unsecured, considered good	14	198
Security deposits- premises	98	10
Security deposits- petrol and sundry deposits	112	208
Contract Assets	854	966
Interest accrued but not due on fixed deposits	16	22
Retained Interest on Loan Assigned	94	89
Recoverable from sale of assets	12	28
Exgratia receivable*	-	197
Out of pocket expenses recoverable	5,063	2,985
Less: Expected credit loss allowance	(34)	(15)
Total	6,117	4,480

*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.

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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Consolidated notes to the financial statements as at 31 March 2022

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

	As at 31 March 2022	As at 31 March 2021
14 Other current assets		
Advances		
Advances to suppliers - considered good	1,377	2,243
Advances to suppliers - considered doubtful	443	225
Less: Allowance for doubtful advances to suppliers	(443)	(225)
Advance for expenses	196	593
Unsecured, considered good		
Others		
Prepaid expenses	1,681	1,057
Balance with statutory authorities	12,016	7,624
Incentive receivable from dealers	106	141
Others receivables	117	(0)
Total	15,493	11,658

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15 Share capital:

	As at 31 March 2022		As at 31 March 2021	
	Number on shares	₹ in lakhs	Number on shares	₹ in lakhs
Authorised				
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, subscribed and fully paid equity capital				
Equity shares of ₹ 10 each	12,79,96,498	12,800	12,79,96,498	12,800

i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

	As at 31 March 2022		As at 31 March 2021	
Authorised share capital	Number on shares	₹ in lakhs	Number on shares	₹ in lakhs
Equity shares of ₹ 10 each				
Shares outstanding at the beginning of the year	16,00,00,000	16,000	16,00,00,000	16,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	16,00,00,000	16,000	16,00,00,000	16,000
13.5% preference shares of ₹ 10 each				
Shares outstanding at the beginning of the year	1,00,00,000	1,000	1,00,00,000	1,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,00,00,000	1,000	1,00,00,000	1,000

	As at 31 March 2022		As at 31 March 2021	
Issued equity capital	Number on shares	₹ in lakhs	Number on shares	₹ in lakhs
Equity shares of ₹ 10 each issued, subscribed and fully paid-up				
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 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 (31 March 2021 - 127,984,998) are held by ORIX Corporation, Japan, the holding company and its nominees.

iv) Shares held by holding company and its nominees

Out of equity issued by the company, shares held by its holding company and their nominee are as follows:

	As at 31 March 2022	As at 31 March 2021
ORIX Corporation (Japan), the holding company and its nominees	100%	100%
12,79,96,498 (31 March 2021 : 12,79,96,498) equity shares		

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

	As at 31 March 2022		As at 31 March 2021	
	No. of shares held	% of holding	No. of shares held	% of holding
ORIX Corporation (Japan), the holding company and its nominees	12,79,89,998	100.00%	12,79,89,998	100.00%

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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Consolidated notes to the financial statements as at 31 March 2022

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

vi) Details of shares held by promoters

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
ORIX Corporation	12,79,89,992	-	12,79,89,992	100%	0%
ORIX Corporation and Mr. Harukazu Yamaguchi	1	(1)	-	0%	100%
ORIX Corporation and Mr. Takashi Nakayama	-	1	1	0%	-100%
ORIX Corporation and Mr. Vivek Wadhwa	1	-	1	0%	0%
ORIX Corporation and Mr. Yoshiaki Matsuoka	1	-	1	0%	0%
ORIX Corporation and Mr. Pankaj Jain	1	-	1	0%	0%
ORIX Corporation and Mr. Sandeep Gambhir	1	-	1	0%	0%
ORIX Corporation and Mr. Jay Gandhi	1	-	1	0%	0%
Total	12,79,89,998	-	12,79,89,998	100%	-

Note :

- No shares have been allotted by way of bonus shares or pursuant to contracts without receipt of cash
- No shares have been reserved for issue under options
- No shares have been allotted pursuant to contract(s) without payment being received in cash
- As per records of the Company, including its register of shareholder / member and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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	As at 31 March 2022	As at 31 March 2021
16 Other equity		
Statutory reserve account		
Balance at the beginning of the year	4,479	3,527
Transactions during the year	277	952
Balance at the end of the year	4,756	4,479
Securities premium account		
Balance at the beginning of the year	39,985	39,985
Transactions during the year	-	-
Balance at the end of the year	39,985	39,985
General reserve		
Balance at the beginning of the year	1,856	1,856
Transactions during the year	-	-
Balance at the end of the year	1,856	1,856
Reserves and surplus		
Balance at the beginning of the year	15,739	14,984
Profit for the year	737	1,707
Transfer to statutory reserve	(277)	(952)
Balance at the end of the year	16,199	15,739
Other Comprehensive Income		
Balance at the beginning of the year	(631)	(783)
Add : Re-measurements on defined benefit plan	(41)	152
Balance at the end of the year	(672)	(631)
Total	62,124	61,428

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

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

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

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

v) 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.

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	As at 31 March 2022	As at 31 March 2021
17 Borrowings		
Non-current borrowing		
Debt securities		
Non-convertible unsecured debentures (refer note a)	20,000	20,000
Unsecured borrowing		
Term Loan		
- From Banks (refer note b to l)	83,656	65,853
- Masala Bond	-	10,000
- ECB Borrowing from Bank	20,938	24,687
- From Parent Company (ORIX Corporation-Japan) (refer note m)	15,000	15,000
Total	1,39,594	1,35,540

Notes

- a Non convertible Debenture disbursement from BNP Paribas that carries interest @ 7.40% . The loan is repayable in bullet payment and will be repaid by december 2023.
- b Term loans disbursement from HDFC Bank Limited that carries interest @ 6.07% to 7.35%. The loan is repayable in quarterly installments and will be fully repaid between August, 2023 to September, 2025 . The instalment amount ranges from ₹ 313 Lakhs to ₹ 357 lakhs. The loan is guaranteed by ORIX Corporation, Japan (Holding company)
- c Term loans disbursement from Kotak Mahindra Bank Limited that carries interest @ 6.10% to 6.30%. The loan is repayable in monthly installments and will be fully repaid between March, 2025 to August 2025. The instalment amount ranges from ₹ 63 Lakhs to of ₹ 106 lakhs. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- d Term loan disbursement from Credit Agricole Corporate & Investment Bank that carries interest @ 6.25%. The loan is repayable in quarterly installments and will be fully repaid by November, 2024 . The instalment amount is of ₹ 1,000 lakhs. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- e Term loan disbursement from Mizuho Bank Ltd that carries interest @ 7.00%. The loan is repayable in monthly installments and will be repaid by April, 2023. The instalment amount is of ₹ 133 lakhs. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- f Term loan disbursement from Mizuho Bank Ltd that carries interest @ 6.00% . The loan is repayable in bullet payment and will be repaid by September 2024. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- g Term loan disbursement from Axis Bank Ltd that carries interest @ 7.35%. The loan is repayable in monthly installments and will be fully repaid by Jun, 2023 . The instalment amount is of ₹ 277 lakhs. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- h Term loan disbursement from Sumitomo Mitsui Banking Corporation that carries interest @ 6.05% to 6.40% . The loan is repayable in quarterly installments and will be fully repaid between February 2024 to December 2025. The instalment amount is of ₹ 625 lakhs. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- i Term loan disbursement from Australia and New Zealand Banking Group Limited that carries interest @ 6.65%. The loan is repayable in bullet payment and will be repaid by May 2022. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- j Term loan disbursement from ICICI Bank Limited that carries interest @ 8.15%. The loan is repayable in monthly installments and was fully repaid during the year. The instalment amount was of ₹ 208.33 lakhs. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- k Term loan disbursement from ICICI Bank Limited that carries interest @ 8.15%. The loan is repayable in monthly installments and was fully repaid during the year . The instalment amount was of ₹ 208.33 lakhs. The loan is guaranteed by ORIX Corporation, Japan (Holding Company).
- l Term loan disbursement from The Federal Bank Limited that carries interest @ 7.90%. The loan is repayable in quarterly installments and was fully repaid during the year . The instalment amount was of ₹ 583 lakhs. The loan is guaranteed by ORIX Corporation, Japan (Holding Company).
- m Term loan disbursement from Parent Company , ORIX Corporation, Japan, that carries interest @ 6.35% to 7.69%. The loan is repayable in bullet payment and will be repaid between July, 2024 to September 2025.

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ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014
Consolidated notes to the financial statements as at 31 March 2022
(All amounts are in INR Lakhs, except as stated otherwise)

	As at 31 March 2022	As at 31 March 2021
18 Lease liabilities		
Lease liabilities (refer note 38)	1,389	847
Total	1,389	847
19 Other financial liabilities		
Financial liabilities at amortised cost		
Security deposits from customers	1,221	974
Total	1,221	974
20 Net employee defined benefit liabilities		
Provision for gratuity (refer note 37)	385	153
Provision for compensated absences	493	437
Total	878	590
21 Other non-current liabilities		
Maintenance linked leases reserves of operating lease	877	712
Deferred Income-Securities deposit	218	342
Total	1,095	1,054

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	As at 31 March 2022	As at 31 March 2021
22 Short term borrowings		
Secured		
Loans repayable on demand from banks		
- Cash credit from banks	3,004	246
- Short term loan from banks (Refer note a to o)	3,500	2,400
- Working capital demand loan (Refer note p to u)	-	600
Unsecured		
Loans repayable on demand from banks		
- Working capital demand loan (Refer note p to u)	29,500	20,500
- Overdraft facility from bank	619	0
- Short term loan from banks (Refer note a to o)	18,000	9,500
Current maturities of long term debts	54,905	76,047
Book overdraft	4	125
Interest accrued but not due on borrowings	782	896
Total	1,10,314	1,10,314

Notes:

- a Short term loan disbursement from IDBI Bank Limited that carries interest @ 6.00%. The loan is secured by way of hypothecation of operating lease assets.
- b Short term loan disbursement from Mizuho Bank that carries interest rate @ 7.00% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- c Short term loan disbursement from Kotak Mahindra Bank that carries interest rate @ 7.30% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- d Short term loan disbursement from The Federal Bank Limited that carries interest rate @ 8.50% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- e Short term loan disbursement from Deutsche Bank AG that carries interest rate @ 4.49% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- f Short term loan disbursement from ICICI Bank Limited that carries interest @ 7.85% To 8.45% The loan is guaranteed by ORIX Corporation, Japan (Holding Company).
- g Short term loan disbursement from HDFC Bank Limited that carries interest @ 7.15% To 8.00% The loan is guaranteed by ORIX Corporation, Japan (Holding Company).
- h Short term loan disbursement from Axis Bank that carries interest rate @ 7.35% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- i Short term loan disbursement from Sumitomo Mitsui Banking Corporation that carries interest rate @ 4.55% to 6.40% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- j Short term loan disbursement from MUFG Bank that carries interest rate @ 4.80% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- k Short term loan disbursement from Australia and New Zealand Banking Group Limited that carries interest rate @ 5.70% to 7.60% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- l Short term loan disbursement from JPMorgan Chase Bank, N.A that carries interest rate @ 4.70% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- m Short term loan disbursement from SBI (Masala Bond) that carries interest rate @ 7.47% p.a..
- n Short term loan disbursement from Bank of America that carries interest rate @ 6.25% to 6.31% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- o Short term loan disbursement from Citibank N A that carries interest rate @ 4.95% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- p Working capital demand loan from IDBI Bank Ltd that carries interest rate @ 6.00% p.a. was repaid during the year in Apr 2021.
- q Working capital demand loan from Mizuho Bank that carries interest rate @ 4.35% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- r Working capital demand loan from Kotak Mahindra Bank that carries interest rate @ 5.00% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- s Working capital demand loan from The Federal Bank Ltd that carries interest rate @ 4.98% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- t Working capital demand loan from Deutsche Bank AG that carries interest rate @ 4.50% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- u Working capital demand loan from ICICI Bank that carries interest rate @ 4.68% p.a. The loan is guaranteed by ORIX Corporation, Japan (Holding Company)
- v External commercial borrowing loan from MUFG Bank Ltd that carries interest rate @ 6.55% 7.71% p.a.

Working capital demand loans are secured by floating charge by way of hypothecation of the following assets as per the drawing power:

- Unencumbered owned assets
- Receivables under operating lease with underlying assets
- Receivables from the Group's other business activities

23 Lease liabilities

Lease liabilities (refer note 38)

Total

350 193

350 193

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24 Trade payables

	As at 31 March 2022	As at 31 March 2021
Trade payable of micro enterprises and small enterprises (Refer note no. 48)	817	168
Trade payable other than micro enterprises and small enterprises	10,782	9,380
Total	11,599	9,548
Trade payable	11,599	9,548
Trade payable to related parties	-	-
Total	11,599	9,548

Trade payable aging schedule

31 March 2022	No Due	Outstanding for following periods from the date of transactions				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	434	312	45	0	26	817
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,002	2,984	777	583	1,436	10,782
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Grand total	5,436	3,296	822	583	1,462	11,599

31 March 2021	No Due	Outstanding for following periods from the date of transactions				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	107	61	0	-	(0)	168
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,301	2,104	1,824	731	1,420	9,380
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Grand total	3,408	2,165	1,824	731	1,420	9,548

Trade payables are not-interest bearing and are normally settled in 30 days terms.

The amount due to Micro, Small and Medium Enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED") has been determined to the extent such parties have been identified on the basis of information available with the Group.

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	As at 31 March 2022	As at 31 March 2021
25 Other financial liabilities		
Financial liabilities at amortise cost		
Advance from customers	6,787	4,836
Employee related liabilities	1,239	1,405
Other Payables		
- Security Deposits for lease and self drive	560	578
- Payable in respect of loans assigned	355	135
- Provision for expenses	2,220	2,366
Total	11,161	9,320
26 Net employee defined benefit liabilities		
Provision for employee benefits		
Provision for gratuity (refer note 37)	318	278
Provision for compensated absences	33	24
Other provisions	60	36
Total	411	338
27 Other current liabilities		
Provision for income tax (net of advance tax ₹ 3,356 (Previous year ₹ 6,126))	97	286
Other Payables		
- Statutory dues payable (Contributions to PF, withholding taxes, sales tax, service tax, etc)	456	2,331
- Net insurance and maintenance reserves of operating lease	-	32
- Contract liabilities	537	483
- Provision for expenses	408	361
- Other payables	1	1
Total	1,499	3,494

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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Consolidated notes to the financial statements for the year ended 31 March 2022

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

	Year ended 31 March 2022	Year ended 31 March 2021
28 Revenue from operations		
28.1 Sale of products		
Spares and consumables	1,608	1,343
Sale of services		
Operating leases on vehicles	25,547	26,206
Car rentals	11,713	6,855
Car rental - self drive	1,768	1,364
Business transport solutions	7,077	7,668
Service centre revenue	204	145
Maintenance revenue	980	878
FMS revenue	2,159	1,501
Interest income		
Interest on loans	22,737	31,101
Other operating revenue		
Income on pre termination of lease	280	35
Insurance commission	311	213
Origination and processing fees	30	191
Termination / rescheduling charges - hypothecation	289	254
Penal interest income	37	26
Net gain on fair value changes	274	92
Other fees income	554	398
Total revenue from operations	75,568	78,270
India	75,568	78,270
Outside India	-	-
Total revenue from operations	75,568	78,270
Timing of revenue recognition		
Goods transferred at a point in time	1,608	1,343
Services transferred over time	73,960	76,927
Total revenue from operations	75,568	78,270
28.2 Contract balances		
Trade receivables	8,666	7,393
Contract assets	854	966
Contract liabilities	537	483
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In March 2022, ₹ 556 (March 2021: ₹ 647) was recognised as provision for expected credit losses on trade receivables.		
Contract assets relates to revenue earned from Business transport solutions. As such, the balances of this account vary and depend on the services provided at the end of the year.		
In March 2022, ₹ 5 (March 2021: ₹ 6) was recognised as provision for expected credit losses on contract assets.		
Contract liabilities includes deferred revenue.		
Amount of revenue recognised from :		
	Year ended 31 March 2022	Year ended 31 March 2021
Amount included in contract liabilities at the beginning of the year	483	666
Performance obligations satisfied in previous years	483	666
28.3 Right of return assets and refund liabilities		
Right on return assets	-	-
Refund liabilities		
Arising from retrospective volume rebates	-	-
Arising from rights of return	-	-
Total	-	-

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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Consolidated notes to the financial statements for the year ended 31 March 2022

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

	Year ended 31 March 2022	Year ended 31 March 2021
28.4 Reconciling the amount of revenue recognised in the Statement of Profit and loss with the contracted price		
Revenue as per contracted price	75,568	78,270
Adjustment		
Discount	-	-
Total revenue from operations	75,568	78,270

28.5 Performance obligation

Car rental

For certain contracts, the performance obligation is satisfied over time. In this contract advance is received before the completion of service.

Operating leases on vehicles

The performance obligation is satisfied over time and payment is generally due upon receipt of bill by customer.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Within one year	-	-
More than one year	-	-
	-	-

29 Other income

Interest income on:

Bank deposits	107	126
Loans and advances	4	16
Security deposits-premises	13	18
Income tax refund	-	70
Others	0	-

Other non-operating income

Sundry balances written back	168	198
Bad debts recovered	74	7
Discount received	348	265
Profit on sale of vehicles	199	536
Miscellaneous income	564	579

Total	1,477	1,815
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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Consolidated notes to the financial statements for the year ended 31 March 2022

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

	Year ended 31 March 2022	Year ended 31 March 2021
30 Cost of material consumed		
Spare parts, accessories		
Inventory at the beginning of the year	6	29
Add: Purchases	1,485	1,207
	1,491	1,236
Less: Inventory at the end of the year	(33)	(6)
Total	1,458	1,230
31 Employee benefit expenses		
Salaries and wages	9,228	9,723
Contribution to provident and other funds	635	610
Gratuity expenses (refer note 37)	225	250
Staff welfare expenses	194	145
Total	10,282	10,728
32 Finance cost		
Interest expense on financial liabilities	16,486	19,997
Interest on lease liability (Refer note no. 38)	125	105
Other borrowing costs	548	726
Total	17,159	20,828
33 Depreciation and amortisation expense		
Depreciation on property, plant and equipments (refer note 02)	21,573	22,738
Amortisation of right-of-use assets (refer note 04)	376	410
Amortization on other intangible assets (refer note 03)	210	202
Total	22,159	23,350

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ORIX Auto Infrastructure Services Limited

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

	Year ended 31 March 2022	Year ended 31 March 2021
34 Other expenses		
Contract labour / chauffeurs cost	1,903	2,016
Service station labour cost	90	74
Car hire charges for car rental	2,774	610
Vehicle hire charges for business transport solution	5,126	4,644
Rent	199	244
Electricity	155	151
Travelling and conveyance	219	160
Communication expenses	184	238
Professional and legal fees	848	774
Vehicle running expenses	1,932	1,481
Repairs and maintenance :		
- Building	1	1
- Machinery	55	53
- Others	1,142	910
Insurance premium	1,915	1,600
Rates and taxes	868	647
Directors' sitting fees	16	21
Printing and stationery	33	22
Software maintenance expenses	567	482
Loss on pre termination of lease	-	394
Loss on foreclosure of commercial vehicle loan	1,072	1,651
Freight & forwarding charges	30	16
Expected credit losses - loans, trade receivable, advances, deposits	1,364	4,099
Sundry balances written off	4	10
Bad debts written off	3,754	-
Corporate social responsibility expenditure (refer note (i) below)	136	170
Loss / reversal on NRV	(148)	75
Payment to the auditor (refer note (ii) below)	74	117
Loss on assets acquired in satisfaction of debt	159	-
Retained interest receivable adjustment	2	58
Miscellaneous expenses	1,221	821
Total	25,695	21,539

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ORIX Auto Infrastructure Services Limited

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

	Year ended 31 March 2022	Year ended 31 March 2021
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34 Other expenses (Continued)

Notes :

i) Details of corporate social responsibility expenditure (CSR) :

	Year ended 31 March 2022	Year ended 31 March 2021
a) Gross amount required to be spent by Group during the year	136	170
b) Amount approved by the Board to be spend during the year	136	170
c) Amount spent during the year ending on 31st March 2022 :	In Cash	Total
1. Construction/acquisition of any asset	-	-
2. On purposes other than (1) above	136	136
Total	136	136

d) Amount spent during the year ending on 31st March 2021 :

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

e) Details related to spent/unspent obligations:

i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	136	170

ii) Payment to Auditors:

As auditor :

Audit fees	69	109
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In other capacity :

Other services (certification fees)	5	8
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Total	74	117
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35 Income taxes and deferred taxes

Income taxes

(a) The major component of income tax expenses for the year ended:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax:		
Current income tax charge	1,313	2,947
Adjustments in respect of current income tax of previous year	(1,162)	-
Deferred tax expense	(596)	(2,244)
Income tax expense reported in the statement of profit or loss	(445)	703

(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	12	(48)
	12	(48)

(c) Reconciliation of tax expense and the accounting profit

	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit before tax	292	2,410
Tax using the Group's domestic tax rate	73	607
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate Social Responsibility Expenditure	-	13
Other provision and deduction including u/s 36	(362)	4
Current tax expenses relating to prior years	(1,162)	-
Others	1,005	79
Income tax expense reported in the statement of profit or loss	(445)	703

The applicable Indian corporate statutory tax rate for the year ended 31 March 2022 and 31 March 2021 is 25.168%.

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35 Deferred tax and Current tax

Deferred Taxes

(d) Reconciliation of deferred tax asset

	Net balance 01 April 2021	Recognised in profit or loss	Recognised in OCI	31 March 2022		
				Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Depreciation	11,938	(52)	-	11,886	11,886	-
Provisions	399	51	-	450	450	-
Preliminary Expenses	7	(7)	-	-	-	-
Expected Credit Losses	1,935	810	-	2,745	2,745	-
Maintenance linked Reserves (MLL)	211	29	-	240	240	-
Others	-	101	-	101	101	-
Carry forward loss	318	(318)	-	0	0	-
Ind AS Adjustments						
Lease rental Straightlining	(85)	85	-	0	0	-
Effective interest rate on Borrowings	1	30	-	31	31	-
Employee benefits P&L	(72)	(3)	-	(75)	-	(75)
Employee benefits OCI	74	(4)	12	82	82	-
Discounting of security deposits paid for premises	4	5	-	9	9	-
Inventory Revaluation for retired vehicles	20	172	-	192	192	-
Effective Gain on Loan transfer Transactions	(240)	(2)	-	(242)	-	(242)
Effective interest rate on Loans and Advances	-	-	-	-	-	-
Discounting of security deposits received from lessees	(3)	11	-	8	8	-
Right-of-use assets	242	(291)	-	(49)	-	(49)
Initial direct cost salary expense	13	-	-	13	13	-
Salaries	8	0	-	8	8	-
Others	20	(21)	-	(1)	-	(1)
Tax assets (Liabilities)	14,790	596	12	15,398	15,765	(367)
Net tax assets	14,790	596	12	15,398	15,765	(367)

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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Consolidated notes to the financial statements for the year ended 31 March 2022

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

	Net balance 01 April 2020	Recognised in profit or loss	Recognised in OCI	31 March 2021		
				Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Depreciation	11,145	793	-	11,938	11,938	-
Provisions	328	71	-	399	399	-
Preliminary Expenses	7	-	-	7	7	-
Expected Credit Losses	982	953	-	1,935	1,935	-
Maintenance linked Reserves (MLL)	205	6	-	211	211	-
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	-
Employee benefits P&L	(159)	87	-	(72)	-	(72)
Employee benefits OCI	159	(37)	(48)	74	74	-
Discounting of security deposits paid for premises	(40)	44	-	4	4	-
Inventory Revaluation for retired vehicles	1	19	-	20	20	-
Effective Gain on Loan transfer Transactions	(247)	7	-	(240)	-	(240)
Effective interest rate on Loans and Advances	10	(10)	-	-	-	-
Discounting of security deposits received from lessees	(7)	4	-	(3)	-	(3)
Right-of-use assets	171	71	-	242	242	-
Initial direct cost salary expense	-	13	-	13	13	-
Salaries	-	8	-	8	8	-
Others	-	20	-	20	20	-
Tax assets (Liabilities)	12,594	2,244	(48)	14,790	15,190	(400)
Net tax assets	12,594	2,244	(48)	14,790	15,190	(400)

The Group 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 31 March 2022 and 31 March 2021 is 25.168%

During the previous year under Income tax, option is provided to Corporates to choose tax rate i.e. either 25.168% 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. Group has opted for first option i.e. 25.168% without claiming any deductions and exemptions.

In assessing the realizability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Consolidated notes to the financial statements for the year ended 31 March 2022

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

36 Earnings per equity share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group, by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group, by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all dilutive potential equity shares into equity shares.

	Year ended 31 March 2022	Year ended 31 March 2021
Profit after tax attributable to equity shareholders	696	1,859
Weighted average number of equity shares used for computing earning per share (Basic/dilu	12,79,96,498	12,79,96,498
Basic and diluted earnings per share (nominal value - ₹ 10 per share)	0.54	1.45
Face value per share (₹)	10	10

Earnings per share (EPS) calculation is in accordance with Ind-AS 33 - Earning Per Share.

Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

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37 Gratuity and other post-employment benefit plans

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. The Group also contributes to Employees State insurance. The Provident fund and the state defined contribution plan are operated by Employees Provident Fund Organisation. Under the scheme, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit / scheme to fund the benefits.

	For the year ended	
	31 March 2022	31 March 2021
Contribution to provident fund	492	479
Contribution to super annuation	64	60
Contribution to ESI	27	34
Contribution to national pension scheme	52	36
Labour welfare fund	0	1
Total	635	610

(ii) Defined Benefit Plan:

The Group has defined benefit plan. 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 31 March 2022. 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:

	For the year ended	
	31 March 2022	31 March 2021
	Gratuity Funded	
Defined benefit obligation	2,214	1,960
Fair value of plan assets	1,511	1,530
Net defined benefit (obligation)/assets	703	430
Non-current	386	153
Current	317	277

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 2022	31 March 2021
	Gratuity Funded	
Defined benefit obligation		
Opening balance	1,960	2,001
Included in profit or loss		
Current service cost	195	223
Interest cost	138	137
	2,293	2,361
Included in OCI		
Remeasurement loss / (gain):	(31)	(47)
Actuarial loss / (gain)	57	(120)
Demographic assumptions	(0)	-
Financial assumptions	(11)	(5)
Experience adjustment	32	1
	2,340	2,190

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37 Employee benefit

(ii) Defined Benefit Plan:

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

	31 March 2022	31 March 2021
	Gratuity Funded	
Other		
Contributions paid by the employer	-	-
Benefits paid	(126)	(230)
Closing balance	2,214	1,960
Fair value of plan asset		
Opening balance	1,530	1,612
Included in profit or loss	-	-
Interest income	107	110
	1,637	1,722
Included in OCI		
Return on plan assets excluding interest income	(5)	29
	1,632	1,751
Other		
Contributions paid by the employer	6	8
Benefits paid	(127)	(229)
Closing balance	1,511	1,530
Represented by		
Net defined benefit asset	-	-
Net defined benefit liability	703	431
	703	431

C. Plan assets

Plan assets comprise the following :

	31 March 2022	31 March 2021
	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 2022	31 March 2021
Discount rate	7.23%	7.02%
Expected rate of return on plan assets	7.23%	7.02%
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.

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

37 Employee benefit

(ii) Defined Benefit Plan:

E. Reconciliation of net liability/asset

Gratuity	As at 31 March 2022	As at 31 March 2021
Opening Balance	431	390
Expenses Recognized in the Statement of Profit and Loss	225	249
Expenses Recognized in Other Comprehensive Income (OCI) (Employer's Contribution)	53 (6)	(200) (8)
Net liability / (Asset) recognised in the balance sheet	703	431

F. Expenses recognized in Statement of Profit and loss

	As at 31 March 2022	As at 31 March 2021
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	195	223
Net Interest Cost	30	27
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	225	250

G. Expenses recognized in Other Comprehensive Income (OCI)

	As at 31 March 2022	As at 31 March 2021
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/losses on Obligation for the year	48	(171)
Return on Plan Assets, Excluding Interest Income	5	(29)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in Other Comprehensive Income (OCI)	53	(200)

H. Reconciliation of Other Comprehensive Income (OCI)

Gratuity	As at 31 March 2022	As at 31 March 2021
Opening Balance	631	783
Acturaries losses during the year	41	(152)
Balance end of the year	672	631

I. Other Details

	As at 31 March 2022	As at 31 March 2021
Prescribed contribution for next years (12 months)	317	312

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37 Employee benefit

(ii) Defined Benefit Plan:

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

	As at 31 March 2022	As at 31 March 2021
Projected benefits payable in future years from the date of reporting		
1st following Year	154	65
2nd following Year	106	51
3rd following Year	97	183
4th following Year	164	86
5th following Year	205	173
Sum of years 6 to 10	1,179	1,022

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 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
	Gratuity		Gratuity	
Discount rate (1% movement)	(174)	199	(149)	216
Future salary growth (1% movement)	198	(176)	214	(150)
Employee turnover rate (1% movement)	(1)	1	18	(20)
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 2022 based on actuarial valuation using the projected accrued benefit method is ₹ 526 (Previous year 31 March 2021 ₹ 461).

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

38 Leases

Operating lease

- 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 01 April 2018.
- The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the 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.
- The Group does not recognize ROU assets and lease liabilities for leases with less than twelve months of lease term 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 2021-22, 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 ₹ 40 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.

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognised with the movements during the period:

	As at 31 March 2022	As at 31 March 2021
Carrying amount of Right of use assets recognised and the movements during the period :		
Balance at the beginning of the reporting year	862	1,346
Addition (Note 04)	1,025	31
Depreciation expenses	(376)	(410)
Disposal of asset during the year	(1)	(105)
Balance at the end of the reporting year	1,510	862
Carrying amount of lease liabilities and the movements during the period :		
Balance at the beginning of the reporting year	1,040	1,528
Addition	1,024	30
Deletion	(40)	(213)
Accretion of interest	125	105
Payments	(410)	(410)
Balance at the end of the reporting year	1,739	1,040
Current	350	193
Non-Current	1,389	847
Maturity analysis of undiscounted lease cash flows		
Less than 6 months	232	145
6-12 months	230	108
1-2 years	432	218
2-5 years	1,002	439
More than 5 years	190	332
Total	2,086	1,242
The effective interest rate for lease liabilities is in the range of 5.89% - 8.74% with maturity between Nov 2022 to Sept 2028		
Depreciation expense of Right of use assets	376	410
Interest expenses on lease liabilities	125	105
Expenses related to short term leases (included in other expenses)	158	200
Expenses related to lease of low value assets	-	-
Total amount recognised in Profit or loss	659	715
Cash outflow of leases during the year	404	410

The Company had total cash outflows for leases of ₹ 283 in 31 March 2022 (₹ 279 in 31 March 2021). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 673 in 31 March 2022 (₹ 14 in 31 March 2021).

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38 Leases

Company as a lessor

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 2022	As at 31 March 2021
Finance lease income	7,527	6,132
Net investment in finance lease	68,733	42,492

Category of lease

	As at 31 March 2022	As at 31 March 2021
Vehicle	46,147	32,828
Equipment	23,343	10,967
Two Wheeler	32	90
Furniture & Fixture	129	168
	69,651	44,053

Movement of net investment in finance lease

	As at 31 March 2022	As at 31 March 2021
Opening balance	42,492	44,215
Net addition	26,241	(1,723)
Net closing of net investment in finance lease	68,733	42,492
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 31 March, 2022		As at 31 March, 2022	
	Gross investment in lease	Net present value of MLP	Gross investment in lease	Net present value of MLP
Less than one year	33,040	25,248	23,321	18,308
Between one and five years	52,124	44,403	30,073	25,745
More than five years	-	-	-	-
	85,164	69,651	53,394	44,053

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.

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

Category of lease

	As at 31 March 2022	As at 31 March 2021
Vehicles	25,547	26,206

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

	As at 31 March 2022	As at 31 March 2021
Within one year	31,185	22,277
After one but not more than five years	46,156	24,819
Total	77,341	47,096

Company as a lessee

Finance lease

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 2022	As at 31 March 2021
Gross carrying amount	3,144	3,144
Addition	-	-
Net carrying amount	3,144	3,144
Opening Accumulated depreciation	300	240
Depreciation for the year	60	60
Net carrying amount	2,784	2,844

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

39 Contingent liabilities (to the extent not provided for):

i) Claims against the Group not acknowledged as debts

	31 March 2022	31 March 2021
Income tax	1,733	649
Sales tax and value added tax	4,838	5,785
Service tax	1,204	16,295
Litigation pending against the Group	140	74
Total	7,915	22,803

The Group's pending litigations comprise of claims against the Group 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.

ii) The Group has received various claims from its customers in relation to the service rendered by it. The Group has either responded to such claims directly to customers or filed a response with appropriate authorities, where such claims were logged by the customers. There exists an uncertainty over the outcome of such cases, however the management is confident of favourable outcome based on the advice of its legal counsel and therefore not recorded any provision against such claim.

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

40 A. Name of related parties and related party relationship

1 Holding Company	ORIX Corporation
2 Fellow Associate	Infrastructure Leasing and Financial Services Limited
3 Key Management Personnel	Mr. Sandeep Gambhir, Managing Director and Chief Executive Officer Mr. Vivek Wadhwa, Chief Financial Officer Mr. Yoshiaki Matsuoka, Chairman and Director Mr. Nagesh Dubey, Independent Director Mr. Abhay Kakkar, Independent Director Mr. Rajeev Seth - Independent Director (Upto 09 November 2021) Mr. Ryohei Suzuki, Whole time Director (from 03 September 2021) Mr. Takashi Yamasaki, Additional Director (from 29 July 2021) Mr. Takashi Nakayama, Director (upto 29 July 2021) Mr. Takehiro Onishi, Additional Director Mr. Shin Hamada, Additional Director Ms. Meeta Sanghvi, Director

B. Name of related parties and related party relationship

Holding Company	ORIX Corporation
Fellow Associate	Infrastructure leasing and financial services limited
Key Management Personnel	Mr. Sandeep Gambhir, Managing Director and Chief Executive Officer Mr. Vivek Wadhwa, Chief Financial Officer Mr. Nagesh Dubey, Independent Director Mr. Abhay Kakkar, Independent Director Mr. Ryohei Suzuki, Whole time Director

C Related party transactions for the year ended

	Holding company	Key management personnel	Fellow associate
i. Reimbursement of administrative expenses	- (186)	- (-)	- (-)
ii. ECB borrowing	- (10,000)	- (-)	- (-)
iii. Interest expenses on ECB	2,536 (2,264)	- (-)	- (-)
iv. Bank guarantee & global fees charges	201 (216)	- (-)	- (-)
v. Commitment charges	179 (12)	- (-)	- (-)
vi. Reimbursement of salary	33 (82)	- (-)	- (-)
vii. Tax payment	- (-)	- (-)	1 (1)
viii. Loans & receivables (Net off ECL)	- (-)	- (-)	- (3)
ix. Income from finance lease	- (-)	- (-)	- (0)
x. Mr. Sandeep Gambhir, Managing director and chief executive officer	- (-)	260 (285)	- (-)
xi. Mr. Vivek Wadhwa, Chief financial officer	- (-)	206 (199)	- (-)
xii. Mr. Ryohei Suzuki, Whole time director	- (-)	96 (101)	- (-)
xiii. Mr. Jay Gandhi, Company Secretary	- (-)	66 (68)	- (-)
xiv. Mr. Abhay Kakkar, Independent director	- (-)	8 (10)	- (-)
xv. Mr. Nagesh Dubey, Independent director	- (-)	7 (9)	- (-)
xvi. Mr. Rajeev Seth, Independent director	- (-)	1 (3)	- (-)
xvii. Expenses towards rent and electricity	- (-)	- (-)	60 (79)

Figures in brackets relate to previous year.



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Consolidated notes to the financial statements for the year ended 31 March 2022

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

	Holding company	Key management personnel	Fellow associate
Payable			
Interest & other expenses	325 (306)	- (-)	- (-)
ECB borrowing	35,000 (35,000)	- (-)	- (-)
Reimbursement of salary	33 (82)	- (-)	- (-)
Payable towards director sitting fees			
Abhay Kakkar	- (-)	1 (2)	- (-)
Nagesh Dubey	- (-)	- (2)	- (-)
Rajeev Seth	- (-)	- (1)	- (-)
Receivable towards premises deposit paid	- (-)	- (-)	20 (20)
Payable towards rent & electricity Expenses	- (-)	- (-)	12 (8)

Figures in brackets relate to previous year.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel of the Group

	31 March 2022	31 March 2021
Short-term employee benefits	593	631
Post-employment gratuity and medical benefits	45	36
Termination benefits	-	-
Share-based payment transactions	-	-
Total compensation paid to key management personnel	638	667

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Generally, the independent directors do not receive gratuity entitlements from the Group. During the year ended 31 March 2022, an amount of ₹ 16 lakhs paid as director sitting fees.

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ORIX Auto Infrastructure Services Limited

CIN : U63032MH1995PLC086014

Consolidated notes to the financial statements for the year ended 31 March 2022

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

41 Segment reporting

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis of organisation

For management purposes, the Group is organised into business units based on its business verticles and has two reportable segments, as follows:

- Segment-1 : Lending
- Segment-2 : Transport Solutions

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

(b) Following are reportable segments

Reportable segment

Segment-1 : Lending

Segment-2 : Transport Solutions

B. Information about reportable segments

For the year ended 31 March 2022

	Reportable segments				Consolidated
	Lending	Transport Solutions	Total Segments	Adjustments & Eliminations	
Income					
External Customers	25,807	51,238	77,045		77,045
Inter-segment	13	752	766	766	-
Total income	25,820	51,990	77,811	766	77,045
Income / (expenses)					
Interest Income	96	108	203	80	124
Interest expense	11,800	5,452	17,252	80	17,172
Depreciation and amortization	896	21,263	22,159		22,159
Income tax expense	(352)	(93)	(445)		(445)
Material non-cash items other than depreciation and amortisation (Bad debts and Loss allowance ECL)	4,963	159	5,121		5,121
Segment profit / (loss)	1,449	(712)	737		737
Segment assets	2,40,558	1,57,645	3,98,203	43,769	3,54,435
Segment liabilities	1,75,042	1,05,834	2,80,876	1,363	2,79,512
Other disclosures					
Capital expenditure	837	38,260	39,096		39,096

For the year ended 31 March 2021

	Reportable segments				Consolidated
	Lending	Transport Solutions	Total Segments	Adjustments & Eliminations	
Income					
External Customers	33,894	46,192	80,086		80,086
Inter-segment	25	742	766	766	-
Total income	33,919	46,934	80,852	766	80,086
Income / (expenses)					
Interest Income	194	105	299	69	230
Interest expense	14,766	6,156	20,922	69	20,853
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)	4,001	108	4,109		4,109
Segment profit / (loss)	4,844	(3,137)	1,707		1,707
Segment assets	2,45,334	1,44,690	3,90,024	43,584	3,46,440
Segment liabilities	1,81,247	92,145	2,73,392	1,179	2,72,213
Other disclosures					
Capital expenditure	293	21,071	21,364		21,364

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.



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42 Fair values

Accounting classification and fair values

The carrying value of financial instruments by categories is as under:

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.

	As at 31 March 2022		
	Amortised cost	FVTPL	FVTOCI
Financial assets			
Trade receivables	8,666	-	-
Cash and cash equivalents	5,983	-	-
Bank balances other than above	443	-	-
Loans	2,04,266	-	-
Other financial assets	13,842	-	-
Financial liabilities			
Borrowings	2,49,907	-	-
Lease liabilities	1,740	-	-
Trade payables	11,600	-	-
Other financial liabilities	12,382	-	-

	As at 31 March 2021		
	Amortised cost	FVTPL	FVTOCI
Financial assets			
Trade receivables	7,393	-	-
Cash and cash equivalents	6,394	-	-
Bank balances other than above	411	-	-
Loans	2,21,429	-	-
Other financial assets	9,212	-	-
Financial liabilities			
Borrowings	2,45,854	-	-
Lease liabilities	1,040	-	-
Trade payables	9,549	-	-
Other financial liabilities	10,293	-	-

The following assumptions/ methods were used to estimate fair values:

- The fair value of cash and cash equivalents, other current financial assets and trade payables are considered to be same as their carrying values due to their short term nature
- The carrying amount of other items carried at amortised cost are reasonable approximation of their fair value.
- The fair value of the financial assets and liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities

Level 2: valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.



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42 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022:

March 31, 2022	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Financial assets measured at amortised cost					
Trade receivables	8,666	-	-	-	-
Cash and cash equivalents	5,983	-	-	-	-
Bank balances other than above	443	-	-	-	-
Loans	2,04,266	-	-	-	-
Other financial assets	13,842	-	-	-	-
	<u>2,33,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities					
Financial liabilities measured at amortised cost					
Borrowings	2,49,907	-	-	-	-
Lease liabilities	1,740	-	-	-	-
Trade payables	11,600	-	-	-	-
Other financial liabilities	12,382	-	-	-	-
	<u>2,75,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 31, 2021	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Financial Assets measured at amortised Cost					
Trade receivables	7,393	-	-	-	-
Cash and cash equivalents	6,394	-	-	-	-
Bank balances other than above	411	-	-	-	-
Loans	2,21,429	-	-	-	-
Other financial assets	9,212	-	-	-	-
	<u>2,44,839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities					
Financial liabilities measured at amortised cost					
Borrowings	2,45,854	-	-	-	-
Lease liabilities	1,040	-	-	-	-
Trade payables	9,549	-	-	-	-
Other financial liabilities	10,293	-	-	-	-
	<u>2,66,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Financial instruments – Fair values and risk management

A. Accounting classification and fair values

- (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) Investments in subsidiaries is measured at cost in accordance with Ind AS 27 and hence not included in the table above.
(4) Fairvalue is done as at the year end.

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.

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42 Financial instruments – Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, security deposits, cash and cash equivalents, bank balances that derive directly from its operations.

Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Market risk ;
- Interest rate risk ;
- Foreign currency risk ;
- Credit risk ; and
- Liquidity 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.

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.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for the contingent consideration liability is provided in Note 39.

The assumptions have been made in calculating the sensitivity analyses of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

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 Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	31 March 2022	31 March 2021
Interest bearing financial liabilities		
Fixed rate borrowings		
Non-convertible Debentures	20,000	20,000
Term Loan from Banks	37,625	39,500
Term loan from Parent Company (ORIX Corporation-Japan)	35,000	35,000
Lease liabilities	1,331	885
Security Deposits	1,780	1,551
Total	95,736	96,936
Variable rate borrowings		
Term Loan from Banks	1,19,874	1,26,588
Short Term Loan From Banks	3,500	2,400
Cash Credit and Overdraft facilities From Banks	3,623	245
Working capital Demand Loan	29,500	21,100
Book Overdraft	4	125
Total	1,56,501	1,50,458

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42 Financial instruments – Financial risk management objectives and policies

Interest bearing financial assets	31 March 2022	31 March 2021
Fixed Rate		
Bank Deposits	443	413
Loan to Employees	28	8
Security Deposits	512	410
Loan against Hypothecation of vehicle	8,854	22,066
Finance Lease receivables	73,475	46,715
Loan against Property (ECLGS)	4,327	-
Total	87,639	69,612
Variable Rate		
Receivable on account of cost recoveries	1,275	1,042
Loan against Property	1,17,670	1,52,776
Total	1,18,945	1,53,818

i. Interest rate risk

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.

Cash flow sensitivity analysis for variable-rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the affected portion of loans and borrowings. The Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Profit or (loss)	
	100 bp increase	100 bp decrease
31 March 2022		
Variable-rate instruments	(376)	376
Cash flow sensitivity (net)	(376)	376
31 March 2021		
Variable-rate instruments	34	(34)
Cash flow sensitivity (net)	34	(34)

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.

ii) Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries

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 31 March 2022

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

iii. 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 and business transport solutions receivables.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

a. Amounts arising from ECL

i. Inputs, assumptions and techniques used for estimating impairment

Assumption and estimation technique considered in 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 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.

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 Group.

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.

For Loans against hypothecation of vehicles, Loans against property and Finance Lease receivables:

- 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 Loans against hypothecation of vehicles is a liquidating portfolio, the LGD for this portfolio has been stressed and kept at 40%
- 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

	Days past due		
	Stage 1	Stage 2	Stage 3
Operating Lease	0-30	31-90	More than 90
*Car Rental	0-120	120-180	More than 180
*Business Transport Solution	0-120	120-180	More than 180
Loans against hypothecation of vehicle	0-30	31-90	More than 90
Loans against property	0-30	31-90	More than 90
Finance lease	0-30	31-90	More than 90
Other receivables	0-30	31-90	More than 90

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

iii. Credit risk

a. Amounts arising from ECL

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 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.

31 March 2022	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%
Finance Lease receivables	21.20%	68.20%	10.60%
Loan Against Property	21.20%	68.20%	10.60%
Loans against hypothecation of vehicles	21.20%	68.20%	10.60%
2022 (%)	13	7	1
2023 (%)	11	5	(1)
2024 (%)	11	5	(0)
2025 (%)	11	6	(0)
2026 (%)	11	5	(1)
2027 (%)	11	6	(0)
2028 (%)	11	5	(1)
Subsequent years (%)	12	6	2

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

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.

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

iii. Credit risk

b. Amounts arising from ECL

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

Exposure at default

31 March 2022	OL	RAC	Business Transport Solution	Others	Total
Stage 1	1,547	3,382	1,439	6,501	12,869
Stage 2	246	34	30	32	342
Stage 3	482	206	292	82	1,062
Total	2,275	3,622	1,761	6,615	14,273
Loss Allowance	81	124	159	213	576

31 March 2021	OL	RAC	Business Transport Solution	Others	Total
Stage 1	1,400	2,011	1,074	4,366	8,851
Stage 2	649	90	7	231	977
Stage 3	359	413	333	1,232	2,337
Total	2,408	2,514	1,414	5,829	12,165
Loss Allowance	37	225	165	235	661

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 2022	As at 31 March 2021
Operating Lease		
Balance as the beginning of the year	37	46
Impairment loss recognised (net)	44	(9)
Balance as at the year end	81	37
RAC		
Balance as the beginning of the year	225	158
Impairment loss recognised (net)	(101)	67
Balance as at the year end	124	225
BTS		
Balance as the beginning of the year	165	135
Impairment loss recognised (net)	(6)	30
Balance as at the year end	159	165
Others		
Balance as the beginning of the year	235	144
Impairment loss recognised (net)	(22)	91
Balance as at the year end	213	235
Total Loss allowance	577	662

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

iii Exposure at default and Loss allowance for loan against property, loan against hypothecation of vehicles and finance lease

Loan against Property	As at 31 March 2022		As at 31 March 2021	
	EAD	ECL	EAD	ECL
Stage 1	92,806	2,032	1,21,995	1,771
Stage 2	22,006	1,135	20,701	786
Stage 3	13,515	3,163	14,387	1,749
Total	1,28,327	6,330	1,57,083	4,306

Loan against Hypothecation of vehicle	As at 31 March 2022		As at 31 March 2021	
	EAD	ECL	EAD	ECL
Stage 1	5,765	353	15,579	595
Stage 2	1,778	131	1,813	91
Stage 3	2,986	1,191	8,214	2,854
Total	10,529	1,675	25,606	3,540

Finance Leases	As at 31 March 2022		As at 31 March 2021	
	EAD	ECL	EAD	ECL
Stage 1	66,110	373	34,764	161
Stage 2	4,793	83	9,240	185
Stage 3	4,295	1,266	3,452	395
Total	75,198	1,722	47,456	741

The following table shows reconciliations from the opening to the closing balance of gross exposure

Gross carrying amount	Stage One	Stage Two	Stage Three	Total
Loan against Hypothecation of Vehicles				
Balance as at 01 April 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 31 March 2021	15,579	1,813	8,214	25,606
Transfer to stage one	649	(314)	(335)	-
Transfer to stage two	(2,402)	2,490	(88)	-
Transfer to stage three	(1,448)	(357)	1,805	-
Net remeasurement of loss allowance	(3,794)	(1,080)	3,936	(938)
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	(2,819)	(772)	(6,083)	(9,674)
Write – offs	-	(2)	(4,463)	(4,465)
Balance as at 31 March 2022	5,765	1,778	2,986	10,529

Gross carrying amount	Stage One	Stage Two	Stage Three	Total
Loan against Property				
Balance as at 01 April 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	2,193	907	1,279	4,379
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 31 March 2021	1,21,995	20,701	14,387	1,57,083
Transfer to stage one	3,656	(2,572)	(1,084)	-
Transfer to stage two	(7,091)	7,416	(325)	-
Transfer to stage three	(3,331)	(2,202)	5,533	-
Net remeasurement of loss allowance	(1,832)	116	(1,571)	(3,287)
New financial assets originated or purchased	1,579	38	11	1,628
Financial assets that have been derecognised	(22,169)	(1,491)	(3,436)	(27,096)
Write – offs	-	-	-	-
Balance as at 31 March 2022	92,807	22,006	13,515	1,28,328



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

Gross carrying amount	Stage One	Stage Two	Stage Three	Total
Finance Lease Receivables				
Balance as at 01 April 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	(5,531)	679	39	(4,813)
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 31 March 2021	34,764	9,240	3,452	47,456
Transfer to stage one	6,792	(6,749)	(43)	-
Transfer to stage two	(1,206)	1,240	(34)	-
Transfer to stage three	(199)	(193)	392	-
Net remeasurement of loss allowance	13,170	552	(413)	13,309
New financial assets originated or purchased	14,039	808	1,238	16,085
Financial assets that have been derecognised	(1,250)	(105)	(212)	(1,567)
Write – offs	-	-	(85)	(85)
Balance as at 31 March 2022	66,110	4,793	4,295	75,198

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 31 March 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 31 March 2021	595	91	2,854	3,540
Transfer to 12 month ECL	115	(17)	(98)	0
Transfer to Lifetime ECL not credit impaired	(86)	112	(26)	-
Transfer to Lifetime ECL credit impaired	(114)	(21)	135	-
Net remeasurement of loss allowance	(110)	1	2,249	2,140
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	(47)	(35)	(2,231)	(2,313)
Write – offs	-	-	(1,692)	(1,692)
Balance as at 31 March 2022	353	131	1,191	1,675

	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loan against Property				
Balance as at 01 April 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 31 March 2021	1,771	786	1,749	4,306
Transfer to 12 month ECL	332	(198)	(134)	0
Transfer to Lifetime ECL not credit impaired	(210)	249	(39)	-
Transfer to Lifetime ECL credit impaired	(115)	(156)	271	-
Net remeasurement of loss allowance	440	480	1,731	2,651
New financial assets originated or purchased	2	2	2	6
Financial assets that have been derecognised	(188)	(28)	(417)	(633)
Write – offs	-	-	-	-
Balance as at 31 March 2022	2,032	1,135	3,163	6,330

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

	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Finance Lease Receivables				
Balance as at 01 April 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 31 March 2021	161	185	395	741
Transfer to 12 month ECL	142	(139)	(3)	-
Transfer to Lifetime ECL not credit impaired	(9)	12	(3)	-
Transfer to Lifetime ECL credit impaired	-	(1)	1	-
Net remeasurement of loss allowance	36	15	849	900
New financial assets originated or purchased	51	16	134	201
Financial assets that have been derecognised	(8)	(5)	(22)	(35)
Write – offs	-	-	(85)	(85)
Balance as at 31 March 2022	373	83	1,266	1,722

ECL changes on Financial instruments recorded in P&L

Year ended 31 March 2022	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Simplified approach	Total
Loan against Hypothecation of Vehicles	-242	40	-1,663		-1,865
Loan against Property	261	349	1,414		2,024
Finance Lease Receivables	212	(102)	871		981
Trade receivables and others				224	224
Total	231	288	622	224	1,364

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	131	876		2,607
Finance Lease Receivables	-61	-119	197		17
Trade receivables and others				199	199
Total	1,902	-128	2,125	199	4,098

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.

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42 Financial instruments – Fair values and risk management

iv. 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. The Group closely monitors its liquidity position and deploys a robust cash management system. The Group manages liquidity risk by maintaining borrowing liabilities by continuously monitoring forecast and actual cash flows, profile of financial assets and liabilities. It maintain adequate source of financing including loans from bank at optimise cost.

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, 2022	Carrying amount	Contractual cash flows					
		Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets							
Trade receivables	8,666	8,666	8,666	-	-	-	-
Cash and cash equivalents	5,983	5,534	5,534	-			
Bank balances other than above	443	443	443				
Loans	2,04,266	3,77,240	39,846	28,702	50,211	89,560	1,68,922
Other financial assets	13,842	13,952	5,260	1,232	1,953	5,389	119
Total :	2,33,200						

		Contractual cash flows					
March 31, 2022	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	2,49,907	2,69,005	74,146	66,259	54,052	74,547	-
Lease liabilities	1,740	1,740	173	177	334	876	179
Trade payables	11,600	11,539	11,539	-	-	-	-
Other financial liabilities	12,382	13,245	11,376	431	409	1,029	-
Commitment	-	-	-	-	-	-	-
Total :	2,75,629						

March 31, 2021	Carrying amount	Contractual cash flows					
		Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets							
Trade receivables	7,393	7,394	7,394	-	-	-	-
Cash and cash equivalents	6,394	6,394	6,394	-	-	-	-
Bank balances other than above	411	319	319				
Loans	2,21,429	4,32,296	43,850	27,981	48,087	94,337	2,18,040
Other financial assets	9,212	9,304	3,834	834	1,294	3,133	209
Total :	2,44,839						

March 31, 2021	Carrying amount	Contractual cash flows					
		Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	2,45,854	2,60,656	75,591	38,701	66,690	79,674	-
Lease liabilities	1,040	1,040	113	80	173	372	302
Trade payables	9,549	9,462	9,462				
Other financial liabilities	10,293	11,155	9,369	454	527	806	-
Commitment	7,754	7,754	7,754				
Total :	2,74,490						

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



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ORIX Auto Infrastructure Services Limited

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

43 Capital Management

The Group's objectives when managing capital are to (a) maximise shareholders value and provide benefit to the stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital using a ratio of "adjusted net debt" to "adjusted equity". For this purpose, adjusted net debt is defined as total liabilities, comprising interest bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity.

	As at 31 March 2022	As at 31 March 2021
Non-Current Borrowings	1,39,594	1,35,540
Current Borrowings	55,409	34,267
Current maturity of long term debt	54,905	76,047
Lease liabilities (refer note no. 38)	1,740	1,040
Gross Debt	2,51,648	2,46,894
Less - Cash and Cash Equivalents	(5,983)	(6,394)
Adjusted Net debt	2,45,665	2,40,500
Total equity	74,924	74,228
Adjusted Net debt to adjusted equity ratio	3.28	3.24

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

44 Ratio Analysis and its elements

Ratio	Numerator	Denominator	31 March 2022	31 March 2021	% change	Remark
Current Ratio	Current Assets	Current Liabilities	0.60	0.55	9.18%	
Debt - Equity Ratio	Total Debts	Shareholder's Equity	19.52	19.21	1.65%	
Debit Service Coverage ratio	Earnings for debt service – Net profit after taxes +Non-cash operating expenses	Debt service – interest & Lease Payments +Principal Repayments	0.35	0.38	-6.56%	
Return on Equity ratio	Net Profit after taxes - Preference Dividend	Average Shareholder's Equity	5.76%	13.34%	-56.83%	Decrease in ratio on account of loss incurred in the transport solutions
Inventory Turnover ratio	Cost of goods sold	Average Inventory	66.41	54.82	21.14%	
Trade Receivable Turnover ratio	Net credit sales = Gross credit sales - Sales return	Average Trade Receivables	10.76	7.32	46.96%	Increase in ratio on account of increase in revenue and decrease in receivables in current year
Trade Payable Turnover ratio	Net credit purchases = Gross credit purchases - Purchase return	Average Trade Payables	0.14	0.12	13.06%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	(1.41)	(1.33)	6.47%	
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.96%	2.13%	-55.13%	Decrease in ratio on account of loss incurred in the transport solutions business
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth +Total Debts +Deferred Tax Liability	5.37%	7.44%	-27.77%	Decrease in ratio on account of loss incurred in the transport solutions business
Return on investment	interest (Finance income)	Investment	1.79%	1.96%	-9.10%	

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

45 Other Statutory Information

- i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii) The Group do not have any transactions with companies struck off.
- iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall :
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall :
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

46 Repayment schedule of long term borrowing :

Loan as on 31 March 2022 are repayable as stated blow

	Interest Rate	1-2 years	2-3 years	3-5 years	Total
Floating					
Monthly	7.00% to 8.45%	2,241	1,277	532	4,050
Quarterly	5.95% to 8.50%	12,589	8,750	5,313	26,652
Bullet Payment	5.70% to 7.35%	-	23,000	-	23,000
Fixed					
Monthly	6.30%	1,875	1,875	-	3,750
Quarterly	6.25%	4,000	3,000	-	7,000
Bullet Payment	6.35% to 7.60%	20,000	15,000	20,000	55,000
Total		40,705	52,902	25,845	1,19,452

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%	14,662	967	-	15,629
Quarterly	7.40% - 8.15%	9,366	3,839	-	13,205
Bullet Payment		32,000	-	10,000	42,000
Fixed					
Monthly	6.30%	1,875	1,875	1,875	5,625
Bullet Payment	7.47% - 8.85%	4,000	20,000	35,000	59,000
Total		61,903	26,681	46,875	1,35,459

Note : Processing fees of ₹ (0) (Previous year ₹ (2)) and Interest payable on term loan of ₹ 140 (Previous year ₹ 98) not included in above table.

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

47 Change in liabilities arising from financing activities

	01 April 2021	Cash Flows	31 March 2022
Long term borrowing	1,41,900	(3,339)	1,38,561
Short term borrowing	33,010	17,992	51,002
Cash credit & overdraft facility from bank	245	3,378	3,623
ECB Borrowing	39,688	(3,750)	35,938
Lease Liability on principal component	1,119	(280)	839
Lease liability Interest portion		(125)	(125)
Non Convertible Debenture	20,000	-	20,000
Masala Bond	10,000	(10,000)	-
Interest accrued but not due on borrowings	886	(106)	780
Finance cost		(17,034)	(17,034)
Total	2,46,848	(13,264)	2,33,584

	01 April 2020	Cash Flows	31 March 2021
Long term borrowing	1,79,746	(37,846)	1,41,900
Short term borrowing	47,684	(14,674)	33,010
Cash credit & overdraft facility from bank	205	40	245
ECB Borrowing	32,500	7,188	39,688
Lease Liability on principal component	1,424	(305)	1,119
Lease liability Interest portion	103	(106)	(3)
Non Convertible Debenture	20,000	-	20,000
Masala Bond	10,000	-	10,000
Interest accrued but not due on borrowings	1,500	(614)	886
Finance cost	-	(20,723)	(20,723)
Total	2,93,162	(67,040)	2,26,122

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Consolidated notes to the financial statements for the year ended 31 March 2022

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

48 Dues to Micro and Small Enterprises as defined under the MSMED Act, 2006.

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).

	As at 31 March 2022	As at 31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-Principal amount due to micro and small enterprises	817	168
-Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

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

	As at 31 March 2022		As at 31 March 2021	
	Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Amount payable for Bank Guarantee fees (USD)	1	105	1	107
Amount payable for Bank Commitment Charges (USD)	0	30	0	3
Amount payable for Reimbursement of Salary (YEN)	53	33	126	292

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.

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50 As per requirement of the Companies Act, 2013, following additional disclosure needs to be given in the Notes to Accounts as at 31 March 2022 and 31 March 2021

As at 31 March 2022								
Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
ORIX Auto Infrastructure Services Limited	69%	51,813	-97%	(712)	54%	(22)	-105%	(734)
Subsidiaries								
Indian								
ORIX Leasing & Financial Services India Limited	30%	22,823	188%	1,386	46%	(19)	196%	1,367
ORIX Housing Financial Corporation India limited	0%	288	9%	63	0%	-	9%	63
	100%	74,924	100%	737	100%	(41)	100%	696
As at 31 March 2021								
Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
ORIX Auto Infrastructure Services Limited	71%	52,547	-184%	(3,137)	97%	147	-161%	(2,990)
Subsidiaries								
Indian								
ORIX Leasing & Financial Services India Limited	29%	21,456	279%	4,762	3%	5	256%	4,767
ORIX Housing Financial Corporation India limited	0%	225	5%	82	0%	-	4%	82
	100%	74,228	100%	1,707	100%	152	100%	1,859

51 Group information

Information about subsidiaries

The consolidated financial statements of the Group include subsidiaries listed in the table below:

	Principal activities	Country of incorporation	% equity interest	
			31 March 2022	31 March 2021
ORIX leasing & financial services India limited	Lending	India	100%	100%
ORIX Housing financial corporation India limited	N.A.*	India	100%	100%

* The company has not yet started operations

Subsidiary relation of -

ORIX leasing & financial services India limited exists from 21 April 2018.

ORIX Housing financial corporation India limited exists from 09 February 2010.

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Consolidated notes to the financial statements for the year ended 31 March 2022
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52 During the year, in Compliance with the RBI Master Circular RBI/2021-2022/104 DOR.No.STR.REC.55/21.04.048/2021-22 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances' dated 01 October 2021 read with Circular RBI/2021-22/125 DOR.STR.REC.68/21.04.048/2021-22 dated 12 November 2021, the Group has reversed the amount of unrealized interest, accrued and credited to income account, on all advances which were NPA as on 31 December 2021. The impact of this reversal in the statement of profit & loss at the time of implementation of said prudential norms was ₹ 4,599.

53 Change in accounting estimates

A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities.

Nature of change

The Group has a loan book consisting of Commercial Vehicle (CV) as well as Loan Against Property (LAP) business. While CV business has been discontinued, the LAP business is continued. In terms of the contracts with the borrowers (CV as well as LAP), the Group has exercised its legal rights against delinquent borrowers (both in CV and LAP business verticals) and repossessed assets from these delinquent borrowers. The Group has the right to sell these assets at any point of time.

The Group was carrying the loan in the books even post repossession of collateral. These assets are now accounted in the books as assets held for sale at net fair value (basis external valuation) until they are sold.

Amount of change in current period

The foregoing change tantamounts to change in accounting estimate with regard to assets held for sale. As a result of this, 17 LAP loans worth ₹ 1,859 Lakh and 25 CV loans worth ₹ 231 (net fair value of ₹ 72) are moved to assets held for sale. The charge to Profit & Loss of this change in LAP is Nil and CV is ₹ 159.

Effects on future period

It is impracticable to estimate the effect of this change in future periods.

54 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

55 In view of the COVID-19 pandemic, the Company has assessed the counter party credit risk in case of financial assets (comprising cash and cash equivalents, bank deposits and investments) and considered subsequent recoveries, past trends, credit risks profile of customers in case of trade receivables and unbilled revenues. The company while assessing Right to Use and Investment in subsidiaries have considered past trend, future business projections and doesn't foresee any significant downsizing of operations. As at the balance sheet date and period subsequent to that until adoption of financial statement, the Company has evaluated impact of COVID 19 on its financial statements and recorded necessary adjustments if required. The Impact of COVID 19 may differ in future from that of estimated as at the date of approval of these financial statements.

56 The Supreme court of India in its judgement dated 28 February 2019, has clarified that any emolument paid universally, necessarily and ordinarily to all employees across the board are to be considered as basic wage and accordingly needs to be considered for calculation of Provident Fund contribution. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligation for the past periods. As a result, Company has applied the judgement prospectively and has assessed its obligation to be insignificant and hence not accrued this obligation.

57 Capital commitments

	As at 31 March 2022	As at 31 March 2021
Capital commitment (net of advances)	15,682	8,208
	15,682	8,208

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

59 Value zero represent amount less than fifty thousand and (-) represent Nil.

60 Previous year figures have been audited by a firm other than S.R. Batliboi & Associates LLP and have been regrouped and rearranged wherever necessary.

As per our report of even date attached.

For: S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No. 101049W/E300004

**SANJAY
BACHCHANI**

Digitally signed by SANJAY
BACHCHANI
Date: 2022.07.29 12:34:33
+05'30'



Sanjay Bachchani
Partner
Membership No: 400419

Place: Gurugram
Date : 29 July 2022.

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

**SANDEEP
GAMBHIR**

Digitally signed
by SANDEEP
GAMBHIR
Date: 2022.07.29
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Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

**VIVEK
WADHERA**

Digitally signed
by VIVEK
WADHERA
Date: 2022.07.29
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Vivek Wadhwa
Chief Financial Officer
Place : Mumbai
Date : 29 July 2022.

**TAKASHI
YAMASAKI
KI**

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by TAKASHI
YAMASAKI
Date: 2022.07.29
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Takashi Yamasaki
Director
(DIN - 09238975)

**JAY
NIRANJAN
GANDHI**

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GANDHI
Date: 2022.07.29
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Jay Gandhi
Company Secretary

