



ORIX Leasing & Financial Services India Ltd.
(A Subsidiary of ORIX Auto Infrastructure Services Ltd.)

Annual Report
2017 - 2018

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

Corporate Information:

Board of Directors:

Mr. Harukazu Yamaguchi	:	DIN 03535391	:	Director & Chairman
Mr. Sandeep Gambhir	:	DIN 00083116	:	Managing Director
Mr. Akihiro Azuma	:	DIN 07510869	:	Whole Time Director
Mr. Abhay Kakkar	:	DIN 06659327	:	Independent Director
Mr. Nagesh Dubey	:	DIN 06967617	:	Independent Director
Mr. Rajeev Lochan Seth	:	DIN 00111866	:	Independent Director
Mr. Kiyokazu Ishinabe	:	DIN 07763966	:	Director
Ms. Gouri Sawant	:	DIN 07748113	:	Director
Mr. Ikuo Nakamura	:	DIN 08074714	:	Additional Director (w.e.f. March 20, 2018)

Statutory Auditors:

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

Registered Office:

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

Web: www.orixindia.com

Email: info@orixindia.com

CIN: U74900MH2006PLC163937

Bankers:

- (1) ANZ Banking Group
- (2) Bank of Baroda
- (3) Bank of India
- (4) Central Bank of India
- (5) Deutsche Bank AG
- (6) HDFC Bank
- (7) ICICI Bank
- (8) IDBI BANK
- (9) IDFC Bank
- (10) Kotak Mahindra Bank
- (11) Mizuho Bank
- (12) State Bank of India
- (13) Sumitomo Mitsui Banking Corporation
- (14) The Bank of Tokyo - Mitsubishi UFJ, Ltd
- (15) United Bank of India
- (16) The Federal Bank
- (17) Westpac Banking Corporation

Key Managerial Personnel:

Mr. Sandeep Gambhir - Managing Director

Mr. Vivek Wadhera - Chief Financial Officer

Ms. Meeta Sanghvi - Company Secretary
& Compliance Officer

Registrar and Share Transfer Agent for Debentures (NCDs):

M/s Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg,
Vikhroli (W),
Mumbai - 400 083

Debenture Trustee:

M/s IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17,
R. Kamani Marg, Ballard Estate,
Mumbai - 400 001

Tel.: 91 022 4080 7001, Fax : 91 22 6631 1776,
Email : itsl@idbitrustee.com

DIRECTORS' REPORT

**The Members,
ORIX Leasing & Financial Services India Limited**

Your Directors are pleased to submit the Twelfth Annual Report on the business and operations of your Company together with the audited accounts for the financial year ended March 31, 2018.

(I) Financial Performance:

Following is a summary of the 2017-18 financial statements:

Particulars	FY 2017-2018	FY 2016-2017
Total Income	2011	1308
Total Expenditure	1545	981
Profit/(Loss) before Depreciation & Tax	466	327
Less: Depreciation	45	40
Profit before Tax	421	287
Tax Paid	162	89
Profit / (Loss) after Tax	259	198
Appropriations:		
Transfer to Reserve Fund under Section 45-IC of the RBI Act, 1934	52	40

(II) Dividend:

Your Directors have not recommended payment of dividend for the financial year ended March 31, 2018 since it is proposed to retain the same in the business.

(III) Brief Description of the Company's working during the year and Review of Operations of the Company:

The company continued to show steady growth across all business verticals. Despite the impact of demonetization and GST, the company demonstrated good progress and continues to do so as we embark into the new financial year

The Balance Sheet grew by 68% to end the year at INR 20,968mn. This was primarily led by SME lending business that closed the year at a portfolio of INR 9,821mn. The disbursements for the year grew by 71% over 2016-17 clocking a total disbursement of INR 13,575mn. The growth was led by SME lending business followed by Commercial vehicle lending and Car lease



The revenue for the year 2017-18 is INR 2,011mn which is a robust 54% growth over 2016-17 and this continues to show an upward momentum. It is important to note here that the strong growth momentum has been achieved as a result of a growth demonstrated by each vertical with a very close eye on the portfolio quality. This continues to be the focus for the coming years as well. The Company is also benefiting from active support and confidence from the shareholder. This will propel the company's growth despite competitive pressures across business lines.

The liquidity position of the Company continued to be comfortable with the sanction of fresh credit lines from Kotak Mahindra Bank, IDFC Bank, Mizuho Bank and ICICI Bank with a revalidation of an AAA rating of our Long Term Debt and A1+ of the Short Term Debt by India Ratings (Fitch Group) The company also did its first ever issue of Masala Bond in Nov 2017, which is a big step towards diversifying funding options. The average Cost of Borrowings for the Company came down from 9.22% to 8.32% in 2017-18 through concentrated efforts of the Treasury team, new funding options and better negotiations with existing Banks.

During the year, further Capital was infused into the Company to the extent of Rs 900 Mn from the holding Company i.e ORIX Auto Infrastructure Services Limited thereby improving the Capital adequacy.

(IV) Capital Adequacy Ratio:

Your Company is well capitalized and has a capital adequacy ratio of 20.87% as at March 31, 2018 as against the minimum regulatory requirement of 15% for non-deposit accepting NBFCs.

(V) Credit Rating:

The India Ratings & Research Private Limited (FITCH) have assigned ratings vide its letter dated November 27,2017 for the various facilities availed by the Company, details of which are given below:

Facility	FITCH	Amount (Rs. in mn)
Short Term	IND + 1	3257.14
Long Term	IND AAA	4970.47
Total		8227.61

(VI) Borrowings:

Your Company has diversified funding sources from Public Sector Banks, Private Sector Banks, Foreign Banks and Financial Institutions etc. Funds were raised by way of term loans, secured redeemable non-convertible debentures (NCDs) and Masala Bond.

During the year, your Company raised Rs. 2100 million through term loans from Banks, Interest payment or principal repayment of the term loans due as on March 31, 2018 has been paid.

During the year under review, the Company had availed External Commercial Borrowing (ECB) amounting to Rs 750Mn and has issued Masala Bond amounting to Rs 1000 Mn.



During the year, your Company raised Rs. 3000 million by issue of NCDs, on private placement basis. The NCDs are rated “AAA” by FITCH, indicating highest degree of safety with regard to timely servicing of financial obligations. The Company has not received any grievances from the debenture holders. The assets of the Company which are available by way of security are sufficient to discharge the claims of the debenture holders as and when they become due.

The NCDs are listed on Wholesale Debt Market (WDM) of the National Stock Exchange of India Limited. The Directors of your Company state that there were no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year March 31, 2018 to which the financial statements relate and the date of the report.

(VII) Share Capital:

(1) Authorised Share Capital :

In order to fuel the future business growth and to meet the capital adequacy requirement of the Company, the Authorised Share Capital of the Company has been increased during the period under review from Rs.900,000,000 (Rupees Nine Hundred Million only) divided into 90,000,000 (Ninety Million Only) Equity Shares of Rs.10/- each to Rs.1,500,000,000 (One Billion and Five Hundred Million Only) divided into 150,000,000 (One Billion and Fifty Million Only) Equity Shares of Rs.10/- each by creating additional 60,000,000 (Sixty Million Only) Equity Shares of Rs.10/- each at the Extra-Ordinary General Meeting of the Company held on December 21, 2017.

(2) Issued, Subscribed and Paid up Share Capital :

(a) Issued Share Capital :

- (i) In order to fuel the future business growth and to meet the capital adequacy requirement of the Company, the Company had issued upto 12,000,000 (Twelve Million) equity shares of Rs. 10 each at the premium of Rs. 65/- (Rupees Sixty Five) per share to ORIX Auto Infrastructure Services Limited (OASIS), the Holding Company on preferential basis under the provisions of Section 42 and 62(1) (c) and all other applicable provisions, of the Companies Act, 2013, Companies (Share Capital and Debentures) Rules, 2014 and Companies (Prospectus and Allotment of Securities) Rules, 2014 .
- (ii) The Issued Share Capital of the Company has been increased from Rs. 889,358,310 (Rupees Eight Hundred Eighty Nine Million Three Hundred Fifty Eight Thousand Three Hundred Ten Only) divided into 88,935,831 (Eighty Eight Million Nine Hundred Thirty Five Thousand Eight Hundred Thirty One) Equity shares of Rs.10 each to Rs. 1,009,359,010/- (Rupees One Thousand Nine billion three hundred fifty-nine thousand ten) divided into 100,935,901/- (One Hundred Million Nine Hundred Thirty-five Thousand Nine Hundred One) Equity Shares of Rs.10/- each.



(b) Subscribed and Paid Up Capital :

- (i) Consequent to the issue of 12,000,000 (Twelve Million) equity shares of Rs. 10 each at the premium of Rs. 65/- (Rupees Sixty Five) per share, OASIS had agreed to subscribe towards Equity Share Capital of the Company for an amount equivalent to Rs.900,000,000/- (Rupees Nine Hundred Million Only) . Accordingly, the Company had received the subscription money aggregating to Rs. 900,000,000/- (Rupees Nine Hundred Million Only) on December 21, 2017.
- (ii) In view of the foregoing subscription, the Allotment Committee of the Company in their meeting held on December 21, 2017 had allotted 12,000,000 (Twelve Million) equity shares of Rs. 10 each at the premium of Rs. 65/- (Rupees Sixty Five) per share to OASIS.
- (iii) Therefore, the subscribed and paid up share capital of the Company is Rs. 1,009,359,010/- (Rupees One Thousand Nine Billion Three Hundred Fifty-Nine Thousand Ten) divided into 100,935,901/- (one Hundred Million Nine Hundred Thirty-five Thousand Nine Hundred One) Equity Shares of Rs.10/- each.

(VIII) Deposits :

The Company being Non-deposit taking Non-Banking Financial Company has not accepted any deposits from the public during the year under review and shall not accept any deposits from the public without obtaining prior approval of the RBI. The Company has passed a Board resolution for non-acceptance of deposits from public during the Financial Year 2018-2019.

(IX) 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 the team of Internal Auditors who evaluated the entity level controls; business process level controls; and testing, reporting and monitoring so as to evaluate operating effectiveness of entity level controls on financial reporting process and put in place suitable remediation plan / compensatory control to minimize or eliminate risk of any nature

The report of IFC did not indicate any issues which required attention of the Audit Committee and Statutory Auditors.

Moreover, the Company has an elaborate internal audit system commensurate to the size of the Company and its operations. 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.

(X) Registration as Systematically Important Non-Deposit NBFC:

The Company is a registered Non-Banking Finance Company–Non Deposit – Systemically Important (NBFC-ND-SI) pursuant to the receipt of Certificate of Registration No. N-13.01981 from the Reserve Bank of India (RBI) dated December 8, 2010, under Section 45-IA of the Reserve Bank of India Act, 1934. Further, your Company always aims to operate in compliance with applicable laws and regulations and employs its best efforts towards achieving the same.

(XI) Auditors:

- (1) Statutory Auditors: Pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013, M/s. B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office up to the financial year 2020-2021, subject to the ratification by the members at every Annual General Meeting to be held during their term.

M/s. B S R & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company, are eligible for ratification and they have consented to the same and have confirmed that the appointment, if ratified, shall be within the limits prescribed under the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Sections 139 and 141 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014.

The Board recommended the ratification of M/s. B S R & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company for financial year 2018 -19, to the members at the ensuing Annual General Meeting.

- (2) Secretarial Auditor: Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors at its meeting held on February 21, 2018 had appointed M/s Ajay Ranade & Associates, Practicing Company Secretaries, as the Secretarial Auditor of the Company to conduct the secretarial audit of the Company for the Financial Year 2017 - 18. The Report of the Secretarial Auditor in Form MR-3 is annexed as 'Annexure-A'.

(XII) Statutory Disclosures:

- (1) Pursuant to the provisions of Section 134(3) (a) and Section 92(3) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return in Form MGT- 9 is annexed as 'Annexure-B'.
- (2) Disclosure as per Section 197(12) of the Companies Act, 2013 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 lakh) per annum or Rs. 8,50,000/- (Rupees Eight lakh and fifty thousand) per month is given in 'Annexure-C'.
- (3) Disclosures in terms of Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in 'Annexure-D'.



- (4) Pursuant to the provisions of Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of the contracts or arrangements with related parties referred to in section 188(1) in Form AOC-2 is annexed as 'Annexure-E'.
- (5) Pursuant to the provisions of Section 134(3) (e), the Company's policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) is annexed as 'Annexure-F'.

(XII) Corporate Governance:

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

(XIV) Auditors' Report:

The observations made by the Auditors' in their report for the financial year ended March 31, 2018 are self-explanatory and therefore do not call for any further comments under section 143 of the Companies Act, 2013.

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

(1) Conservation of Energy and Technology Absorption:

The requirements of disclosure with regard to Conservation of Energy in terms of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are not applicable to the Company since it does not own any manufacturing facility.

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

(2) Foreign Exchange Earnings and Outgo:

There is foreign exchange outgo of Rs. 9,22,48,406/-during the financial year under review.

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

- (1) The Board of Directors, at its meeting held on March 20, 2018, have appointed Mr. Ikuo Nakamura (DIN: 08074714) as an Additional, Non - Executive Director of the Company with effect from March 20, 2018 and till the conclusion of the ensuing Annual General Meeting, in terms of Sections 152 and 161 of the Companies Act, 2013 ('the Act').

In terms of the RBI Directions applicable to NBFC-ND-SI, as amended from time to time, Mr. Ikuo Nakamura (DIN: 08074714) fulfils the fit and proper criteria for appointment as Director of the Company

- (2) The Board of Directors, at its meeting held on March 20, 2018, have appointed Mr. Harukazu Yamaguchi (DIN 03535391), the existing Director of the Company as the Chairman of the Board and the Company with effect from March 20, 2018.



- (3) In the view of organizational changes at ORIX Corporation (Japan), Ultimate Holding Company Mr. Hiroshi Nishio (DIN 06827437) Director and Chairman had resigned from the Board of Directors of the Company w.e.f. February 28, 2018.
- (4) Ms. Shuchi Singhvi had resigned as Company Secretary and Compliance Officer of the Company with effect from November 24, 2017 and in lieu of her, Ms. Meeta Sanghvi (ACS:21168) has been appointed as the Company Secretary and Compliance Officer of the Company with effect from February 21, 2018
- (5) Accordingly, Mr. Sandeep Gambhir (DIN 00083116), Managing Director, Mr. Vivek Wadhwa, Chief Financial Officer of the Company and Ms. Meeta Sanghvi (ACS:21168) are the Key Managerial Personnel of the Company.

(XVII) Retire by Rotation :

In accordance with Section 152 and other applicable provisions of the Companies Act, 2013, Ms. Gouri Sawant (DIN 07748113) being Non-Executive Director retires by rotation and being eligible offers herself for re-appointment at the ensuing Annual General Meeting. The Board recommends her appointment.

(XVIII) Declaration from Independent Directors:

The Company has received declaration from Mr. Nagesh Dubey, Mr. Abhay Kakkar and Mr. Rajeev Lochan Seth, Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed by the Companies Act, 2013. No transaction was entered with Independent directors in the year which could have any material pecuniary relationship with them. Apart from sitting fees no other remuneration was given to the above Independent Directors.

(XIX) 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, Interest Rate Risk, Asset Liability Mismatch Risk, Cash Management Risk etc. The expertise in lending operations acquired by the Company over past 3 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 such as Debentures. 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. 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.



The risk function is also supervised by the Audit Committee of the Board from time to time. Risk Committee reviews the asset quality and product policy programs and the same are duly approved before any new product launches and are reviewed regularly. The asset quality of the Company continues to remain healthy. The ratio of gross non-performing assets to gross advances and net non-performing assets to net advances as of March 31, 2018 stood at 1.35% and 0.88% respectively. The specific loan loss provisions that the Company has made for its non-performing assets continue to be more conservative than those prescribed by the regulator.

(XX) Vigil Mechanism:

The Company has adopted Vigil Mechanism policy with a view to provide a mechanism for directors and employees of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) and (10) of the Companies Act, 2013. The functioning of Vigil Mechanism is reviewed by the Audit Committee from time to time. The Policy has been uploaded on the website at: <http://www.orixindia.com/uploadedfiles/Whistleblower-OLFS.pdf>

The Company conducts regular workshops and training sessions to inform and educate the employees about Whistle Blower Policy. During the year 2017-18 there was one complaint in the form of Whistle Blower under the Whistle Blower Policy.

(XXI) Corporate Social Responsibility (CSR) :

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

As part of its initiatives under CSR, the Company has initiated partnerships with implementing agencies for projects in the areas of vocational training, healthcare, sports and education. These projects are in accordance with Schedule VII of the Companies Act, 2013.

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

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

The Company, however, believes that it is well positioned to build on the foundations put in place in the current year to broaden and accelerate its CSR interventions in the ensuing years.

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

(XXII) Internal Audit and Compliance:

The Company conducts its internal audit and compliance 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 Company conduct internal audit through in house team covering all areas of operations including branches. The reports are placed before the Audit Committee of the Board. The Audit Committee reviews the performance of the audit and compliance functions, the effectiveness of controls and compliance with regulatory guidelines and gives such directions to the Management as necessary / considered appropriate. The Company has framed the scope and plan of Internal Audit to effectively monitor and supervise the Governance, Risk and Compliance function in accordance with the statutory requirements.

(XXIII) Particulars of Loans, Guarantees or Investments:

Details of Loans, Guarantees and Investments governed under the provisions Section 186 of the Companies Act, 2013 are given in the Notes to Accounts forming part of the Audited Financial Statements.

(XXIV) 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.

(XXV) Policy on Prevention of Sexual Harassment:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. During the year under review, there was no sexual harassment cases reported to the Company.

(XXVI) 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, 2018, the applicable accounting standards have been followed;
- (2) that appropriate accounting policies have been selected & applied consistently & judgments and estimates made are reasonable & prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2018 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 Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (4) that the annual accounts have been prepared on a going concern basis;



- (5) the Company has an established internal financial control framework including internal controls over financial reporting, operating controls and for the prevention and detection of frauds and errors. The framework is reviewed periodically by Management and tested by the internal audit team appointed by the Management to conduct the internal audit. 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.

(XXVII) Management Discussion and Analysis for F.Y:2017- 2018:

Management Discussion and Analysis Report is as under:

- (1) Industry Structure and Developments – The Indian economy witnessed its biggest ever reform till date in the form of GST (Goods and Services Tax). The size of the change and its impact across various industry segments as well as customer segments has been large. There have been transitional issues as well as the change impacts all aspects of the Indian Economy and it did result in a temporary slowdown in the business activity in the first half of the financial year. Despite these disruptive changes, India remains the fastest growing emerging market economies in the world. On the back of these reforms, the overall economic outlook remains positive and it is expected that the economy will grow in the range of 7.00% to 7.50% in the coming fiscal year, with inflation being at sub 5% levels along with a controlled fiscal deficit.

With regards to the various business segments that your Company operates in, we saw good business momentum across all our product lines and the overall disbursements recorded a healthy growth of 71% as compared to the previous year. We did see a slowdown post June 2017 due to GST rollout and implementation, however, growth picked up again in the last quarter and the momentum seems to be encouraging. The outlook continues to be positive with a bias towards growth. There continues to be an overhang of the rising fuel prices as well as the dollar and that could be a factor that could play a spoiler role in the party. The other important aspect that could impact the future momentum is the General Elections that are scheduled for Early 2019 and those may have a role to play in terms of future policy decisions by the government.

We do expect the economy to continue to demonstrate healthy growth momentum which will also result in higher credit demand across all our product segments. We also expect that the improved business momentum will help the overall profitability and better returns of the companies operating in the retail lending space.

- (2) Opportunities – The underlying philosophy for the organization has been controlled growth and the results have been very encouraging thus far. Despite significant growth in disbursements and Balance Sheet, the portfolio quality continues to be better than the market norms. Sound credit policy and effective risk monitoring has helped lay a strong foundation basis which, the company is hopeful of delivering superior results in the coming years. Geographical expansion has also happened during the previous year and the same is likely to continue in the coming years as well and that would help the organization grow faster. There have been investments on training the existing talent pool as well as hiring some of the best resources from the market to be able to contribute to the overall growth opportunity that lies ahead. During the year, we also had a fresh round of Capital Infusion of Rs 900 Mn which has helped the Company maintain a healthy



financial position and a very sound capital adequacy ratio which will facilitate the Company's growth in the years ahead.

- (3) Threats - Some of our key business lines did get impacted due to the regulatory changes that happened through the GST regime. Such similar changes that may happen in the future, could have an impact on the overall business and momentum. Apart from these, the impact of rising oil prices and an expensive dollar may impact the overall economy which could obviously impact the entity's growth as well. The other challenges that the company envisages are on liquidity and credit risk. On both these front, while there have been adequate measures taken to ensure these risks are mitigated, the threats do remain.
- (4) Outlook – Basis the performance trajectory that has been demonstrated in the past few years, the Company feels confident of maintaining the same momentum in the year ahead. It is expected that the Company's market share across all its product offerings will continue to increase, the momentum on disbursements is likely to improve and the portfolio quality is also expected to hold fort which could provide further room for growth in the year ahead.
- (5) Internal control systems and their adequacy: The Company has an elaborate internal control system commensurate to the size of the Company and the Company's operations. This system continuously monitors compliance to internal processes across the operations to ensure that all assets are safeguarded 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 Control Systems are designed to ensure reporting efficiency and compliance with the regulations. The internal financial control system is supported by Internal Auditors. The Internal Audit Reports are discussed at length during the Audit Committee meetings, which also reviews the adequacy and effectiveness of the internal controls.

- (6) Discussion on financial performance with respect to operational performance: The Balance Sheet grew by 68% to end the year at INR 20,968mn. This was primarily led by SME lending business that closed the year at a portfolio of INR 9,821mn. The disbursements for the year grew by 71% over 2016-17 clocking a total disbursement of INR 13,575mn. The growth was led by SME lending business followed by Commercial vehicle lending and Car lease.

The revenue for the year 2017-18 is INR 2,011mn which is a robust 54% growth over 2016-17 and this continues to show an upward momentum. It is important to note here that the strong growth momentum has been achieved as a result of a growth demonstrated by each vertical with a very close eye on the portfolio quality. This continues to be the focus for the coming years as well. The Company is also benefiting from active support and confidence from the shareholder. This will propel the company's growth despite competitive pressures across business lines

- (7) Risks and Concerns: Following are the key risks and mitigants of the Company:
 - (a) Credit Risk– The biggest risk for any financing business is the credit risk that can be a result of poor underwriting/policy or market downturn. The Company has been extra cautious and conservative in developing the credit policy and processes. The client selection process is fairly stringent and the Company believes that it is well equipped to evaluate credit worthiness of the clients.



- (b) Liquidity Risk - While liquidity is a key risk for any organization, the company has worked on various fronts to mitigate these risks. The Company continues to enjoy an AAA rating, it maintains a robust financial position and has a sound parent backing. The Company has also diversified its funding options and during the year issued two series of NCO's as well as signed up new funding arrangements from a few private sector Banks.
- (8) Material developments in Human Resources / Industrial Relations front, including number of people employed: The Company took a lot of initiatives to improve efficiency and keep pace with the constant change in the business environment. The Company has been making investments in the area of product development and technology tools associated with it, in order to bring improved experience to the Company's customers and users. The technology tool Adrenalin implemented during the year for improving HR operational efficiency and overall employee experience and started using the system for Attendance, Employee Data and for performance appraisal activity.

In continuation of the Company's focus on Learning and Development, this year to a substantial effort was made to upgrade the quality and scale of initiatives. An overall 113 % growth was achieved in the man days of behavioral and leadership development trainings conducted. The company continued with the Management Committee Program for immediate down line of Executive Committee Members with a view to provide developmental opportunities to senior members of the management and to build further transparency in the decision making process.

The Company continued with Star Awards Program on quarterly basis for recognition of performance excellence and to instill enhancement in motivation levels at the Staff level.

Several Employee engagement and Employee Welfare Activities were carried out regularly with a view to provide a healthy and stress free environment to the employee base. As on March 31, 2018 there were 215 employees on the rolls of your Company

(XXVIII) General:

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

- (1) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (2) Issue of shares (including sweat equity shares) to employees of the Company.
- (3) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- (4) No change in nature of business.
- (5) There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2018) and the date of the Report.

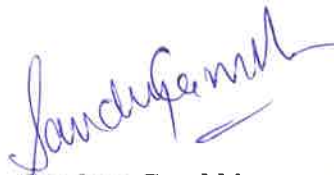


(XIX) Acknowledgements:

We are grateful to the Government of India, Ministry of Corporate Affairs, Reserve Bank of India, Stock Exchange, Bankers, Investors, 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



Sandeep Gambhir
Managing Director
DIN No.:00083116



Kiyokazu Ishinabe
Director
DIN No.: 07763966

Place: Mumbai
Date: May 24, 2018

ANNEXURE-A

A. G. RANADE & ASSOCIATES
COMPANY SECRETARIES

Thane : 2, Ground Floor, 'B' Wing, Om Sai Prasad Building, Shivaji Nagar, B-Cabin, Thane (W) – 400 602.
Kalyan : 101, Bldg. No. 4, Shiv Amrut Dham, Near Yogi Dham, Murbad Road, Kalyan (W) – 421 301.
Email : agranade@rediffmail.com, ranadecs@gmail.com Telefax : 022-25420542

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2018

[Pursuant to 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 Leasing & Financial Services India Limited,
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 Leasing & Financial Services India Limited** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Orix Leasing & Financial Services India Limited ("The Company")** for the financial year ended on 31st March, 2018 according to the provisions 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, Overseas Direct Investment and External Commercial Borrowings;
- V. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- VI. and other laws like the Reserve Bank of India Act, 1934, the Factories Act, 1948, the Payment of Gratuity Act, 1972 to the extent applicable to the Company.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements as mentioned above *except two eforms which are filed belatedly on payment of additional filing fees.*

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took



place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For A. G RANADE & ASSOCIATES



Proprietor



Signature :
Name of the Company Secretary: Ajay Ranade
Address : **A G Ranade & Associates**
Company Secretaries,
2, Gr Fl, B Wing, Om Sai Prasad Bldg,
Shivaji Nagar, Thane (W) 400601
Membership No. : FCS 6199
C. P. No. : 6231

Place: Thane

Date: 16th May 2018

Note: Please refer specific non compliances / observations / audit qualification, reservation or adverse remarks as stated in this report.

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 Leasing & Financial Services India Limited,
Plot No. 94, Marol Co-operative Industrial Estate,
Andheri-Kurla Road, Andheri (East),
Mumbai 400059

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

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

For **A. G RANADE & ASSOCIATES**

Signature	:	 Proprietor	
Name of the Company Secretary:	:	Ajay Ranade	
Address	:	A G Ranade & Associates Company Secretaries, 2, Gr Fl, B Wing, Om Sai Prasad Bldg, Shivaji Nagar, Thane (W) 400601	
Membership No.	:	FCS 6199	
C. P. No.	:	6231	

Place: Thane

Date: 16th May 2018

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2018

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

I. Registration & Other details:

(1)	CIN	U74900MH2006PLC163937
(2)	Registration Date	August 21, 2006
(3)	Name of the Company	ORIX Leasing & Financial Services India Limited
(4)	Category/Sub-category of the Company	Public Limited Company Non Deposit Taking -Non-Banking Financial Company
(5)	Address of the Registered office & contact details	Plot No. 94, Marol Co-operative Industrial Estate, Andheri-Kurla Road, Andheri (East), Mumbai – 400059; Tel.: +91 (22)6707 0100; Fax: +91 22 2852 8549; Email: info@orixindia.com ; Website: www.orixindia.com
(6)	Whether listed company	Equity Shares not listed, however, Debentures are listed on National Stock Exchange of India Limited
(7)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 24/7, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083

II. Principal Business Activities of the Company:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
(1)	Non-Banking Financial Services (Lending)	649	100

[Signature]

III. Particulars of Holding, Subsidiary and Associate Companies:

Sr.No.	Name & Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
(1)	ORIX Auto Infrastructure Services Ltd. Add: Plot No. 94, Marol Co-operative Industrial Estate, Andheri-Kurla Road, Andheri (East), Mumbai – 400059;	U99999MH1995OLC086014	Holding	100	2(46)

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

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
(a) Individual/ HUF	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-
(d) Bodies Corp: ORIX Auto Infrastructure Services Ltd. (OAIS)	88,935,831	0	88,935,831	100,935,831	0	100,935,831	100
(e) Banks / FI	-	-	-	-	-	-	13.49287
(f) Any other	-	-	-	-	-	-	
Sub Total A(1)	88,935,831	0	88,935,831	100,935,831	0	100,935,831	100
							13.49287



(2) Foreign																			
(a) Individual (NRIs /Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub total A(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	88,935,831	0	88,935,831	99.9999	100,935,831	0	100,935,831	100	100,935,831	0	100,935,831	100	13,49287						
B. Public Shareholding																			
1. Institutions																			
(a) Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Banks / FI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(I):-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

LB

2. Non-Institutions																						
(a) Bodies Corp.																						
(i), Indian																						
(ii), Overseas																						
(b) Individuals																						
(i), Individual shareholders holding nominal share capital upto Rs. 1 lakh																						
(ii), Individual shareholders holding nominal share capital in excess of Rs 1 lakh																						
(c) Others (specify)																						
Non Resident Indians																						
Overseas Corporate Bodies																						
Foreign Nationals																						
Clearing Members																						
Trusts																						
Foreign Bodies - D R																						
Sub-total (B)(2):-																						
Total Public Shareholding (B)=(B)(1)+ (B)(2)																						
C. Shares held by Custodian for GDRs & ADRs																						
Grand Total (A+B+C)																						



B. Shareholding of Promoter :

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ORIX Auto Infrastructure Services Limited	88,935,831	99.9999	Nil	100,935,831	100	Nil	13.49287

C. Change in Promoters' Shareholding

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	88,935,831	99.9999	88,935,831	99.9999
	Addition - Allotment on 21-12-2017	12,000,000	13.49287	-	-
	At the end of the year	100,935,831	100	100,935,831	100



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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

E. Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Sandeep Gambhir jointly with ORIX Auto Infrastructure Services Ltd At the beginning of the year	10	0.00	10	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	10	0.00	10	0.00





2.	Mr. Vivek Wadhwa jointly with ORIX Auto Infrastructure Services Ltd	10	0.00	10	0.00
	At the beginning of the year	10	0.00	10	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	10	0.00	10	0.00

Handwritten signature in blue ink.

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

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,82,24,52,120.00	5,21,96,76,849.00		8,04,21,28,969.00
ii) Interest due but not paid				
iii) Interest accrued but not due	8,97,56,593.00	1,70,91,955.00		10,68,48,548.00
Total (i+ii+iii)	2,91,22,08,713.00	5,23,67,68,804.00		8,14,89,77,517 .00
Change in Indebtedness during the financial year				
Addition	4,03,78,53,059.00	7,91,60,46,004.00		11,95,38,99,063.00
* Reduction	(40,03,48,060.00)	(4,27,10,61,665.00)		(4,67,14,09,725.00)
Net Change	3,63,75,04,999.00	3,64,49,84,339.00		7,28,24,89,338.00



Indebtedness at the end of the financial year				
i) Principal Amount	6,29,24,20,219.00	8,84,87,72,813.00		15,14,11,93,032.00
ii) Interest due but not paid				
iii) Interest accrued but not due	5,72,93,492.00	3,29,80,330.00		29,02,73,822.00
Total (i+ii+iii)	6,54,97,13,711.00	8,88,17,53,143.00		15,43,14,66,854.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of Managing Director	Name of Whole Time Director	Total Amount
1	Gross salary	Mr. Sandeep Gambhir	Mr. Akihiro Azuma	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	9,730,554	9,730,554
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	1,757,566	1,757,566



	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify ...	-	-	-
5	Others, please specify	-	-	-
	Total (A)		11,488,120	11,488,120
	Ceiling as per the Companies Act, 2013	42,081,462 /- (being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to Other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Nagesh Dubey	Mr. Abhay Kakkar	Mr. Rajeev Seth Lochan	
1	Independent Directors				
	Fee for attending Board and Committee meetings	435,000	475,000	280,000	11,90,000
	Commission				
	Others, please specify				
	Total (1)	435,000	475,000	280,000	1,190,000
2	Other Non-Executive Directors	Not Applicable			
	Fee for attending board committee meetings				
	Commission				



Others, please specify				
Total (2)				
Total (B)=(1+2)				
Total Managerial Remuneration			1,190,000	
Overall Ceiling as per the Act			4,208,146/- (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)	

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

Sr No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Company Secretary (Ms. Shuchi Singhvi) (April 01, 2017- November 24, 2017)	Company Secretary (Ms. Meeta Sanghvi) (February 21, 2018 – March 31, 2018)	CFO (Mr. Vivek Wadhwa)		
1	Gross Salary	1,635,975	242,822	-		1,878,797
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	-		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-		-



2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others, specify...				
5	Others, please specify	-	-	-	-
	Total	1,635,975	242,822	-	1,878,797

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: -

There were no penalties / punishment for the year ended March 31, 2018.



Disclosures in terms of Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

<u>Name of the Employee and Designation</u>	<u>Remuneration Received</u>	<u>Nature of Employment</u>	<u>Qualification and Experience</u>	<u>Date of Commencement of Employment</u>	<u>Age</u>	<u>Last Employment held before joining the Company</u>
<u>Akihiro Azuma, Vice President and Whole Time Director</u>	<u>1,14,88,120</u>	<u>Full Time Employment</u>	<u>Master Degree of Material Science, 13 years of experience</u>	<u>04-04-2016</u>	<u>38</u>	<u>ORIX Corporation Japan (Tokyo)</u>



Annexure-D

Information as per Rule 5 (1) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (1) The ratio of the remuneration of each director to the median remuneration of employees of the Company for the financial year is 1:7.
- (2) During the year, under review there was 9% increase in remuneration of Whole time Director and Company Secretary of your Company.
- (3) During the year under review, there was 3% increase in the median remuneration of the employees of your Company.
- (4) As on March 31, 2018 there were 215 employees on the rolls of your Company.
- (5) During the year under review, the net income of your Company grew and the hike was in consonance with the wage hike given by the Industry. Further, in comparison to the growth of the Company, the average increase in remuneration paid to Key Managerial Personnel and the average increase in remuneration for rest of the employees depending on individual and business unit performance.
- (6) The key parameters for variable compensation for directors are growth in volume of the Business of the Company, profit growth, portfolio quality, and enhancement of customer base over the previous year.



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

Form No. AOC - 2

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

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

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

(a)	Name(s) of the related party and nature of relationship	ORIX Corporation, Japan -Ultimate holding Company ORIX Auto Infrastructure Services Limited - Holding company
(b)	Nature of contracts/arrangements/transactions	Normal business transactions (Mentioned in the notes forming part of the financial statements at Note no. 23.10).
(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 at Note no. 23.10.
(e)	Justification for entering into such contracts or arrangements or transactions	Competitive pricing and value of services rendered.
(f)	Date(s) of approval by the Board, if any	N.A.
(g)	Amount paid as advances, if any	N.A.

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



Details of Nomination and Remuneration Policy as per Section 178 of the Companies Act, 2013:**(I) Appointment / Nomination criteria and qualifications:****(1) Director and KMP:**

- (a) Criteria: The Committee shall identify and ascertain the integrity, expertise and experience of the person for appointment as a Director and KMP and recommend to the Board for his / her appointment.
- (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 in consultation with Human Resource Department shall identify and appoint SMP based on their qualification, expertise and experience for the concerned position or level.

(II) Term/Tenure:**(1) Managing Director/Whole-time Director:**

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

(2) Independent Director:

- (a) 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.
- (b) 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.



(II) Evaluation of Director, KMP and SMP:

The Committee shall carry out evaluation of performance of every Director based on detailed performance parameters, as per applicable Regulations. The performance parameters includes, but not limited to the following:

- (1) Expertise;
- (2) Objectivity and Independence;
- (3) Guidance and support in context of life stage of the Company;
- (4) Understanding of the Company's business;
- (5) Understanding and commitment to duties and responsibilities;
- (6) Willingness to devote the time needed for effective contribution to Company;
- (7) Participation in discussions in effective and constructive manner;
- (8) Responsiveness in approach; and
- (9) Ability to encourage and motivate the management for continued performance and success.

The performance evaluation of KMP (other than Managing Director/Whole Time Director) and Senior Management Personnel shall be done as per the prevailing Human Resource Policy and Human Resource process framework implemented by the Company from time to time, in consultation with the Managing Director of the Company.

(IV) Retirement:

The Director, KMP and Senior Management Personnel 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 Competent Authority as specified in the Employee Hand Book of the Company 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, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director and KMP. Senior Management Personnel may be removed from the employment of the Company due to breach of Company's HR Policy or code of conduct or other employee related policies or performance related aspects. The decision of Managing Director, Director representing ORIX Corporation i.e. Ultimate Holding Company and HR Head shall be final in this regard.



(VI) Remuneration 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 Managing Director/ Whole-time Director / in accordance with the provisions of Schedule V of the Companies Act, 2013 and with the approval of the Central Government approval, if and to the extent required.

(3) Other Provisions:

- (a) The remuneration / compensation / commission etc. to the Managing Director/ 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 Central Government, wherever required as per law.
- (b) The remuneration and commission to be paid to the Managing Director/Whole Time Director shall be in accordance with the percentage / slabs / conditions as per the provisions of the Act, as amended from time to time.
- (c) Increments to the existing remuneration / compensation structure shall be recommended by the Committee.

(VII) Insurance Premium:

Where any insurance is taken by the Company on behalf of its Managing Director, SMP 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 annual basis.



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

(1) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee(s) thereof and in line with the applicable provisions of the Act.

(2) Commission:

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

(IX) Remuneration of KMP and SMP:

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, instill a long term commitment to the Company, and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

The remuneration of KMP and SMP shall be decided by Managing Director of the Company in consultation with the HR department.

(X) Remuneration of other employees:

Apart from Directors, KMP and SMP, the remuneration of rest of the employees will be determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions in competitive environment.

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 to the remuneration paid to employees shall be determined based on the annual appraisal carried out by Head of various Departments and as per the HR Policy and Process of the Company as may be applicable from time to time.



Corporate Governance disclosures as per Section 134 of the Companies Act, 2013
(I) 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. Your Company has adopted a Board approved Internal Guidelines on Corporate Governance which has helped the Company in attaining its objectives/goals, since it encompasses every sphere of operations, management, action plans, internal controls, performance measurement and regulatory disclosure. The said Internal Guidelines on Corporate Governance has been uploaded on the Company's website which was approved by the Board of Directors in their meeting held on November 9, 2016

During the year under review, Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information was approved and implemented.

(II) 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. The meetings of the Board of Directors during the Financial Year 2017 – 18 were held on, d, April 24, 2017, May 18, 2017, July 28, 2017, November 14, 2017, December 21, 2017, February 21, 2018 and March 20, 2018.

The present strength of Board of Directors is Nine (9) Directors. The Board comprises of one (1) Executive and eight (8) Non-Executive Directors including three (3) Independent Directors. One of the Non-Executive Director is 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, 2018 are as under:

Sr.No.	Name of Director	No. of Board Meetings Attended	Last AGM Attended
(1)	Mr. Harukazu Yamaguchi, Director and Chairman (Appointed as Chairman w.e.f March 20, 2018)	1	No
(2)	Mr. Sandeep Gambhir, Managing Director	7	Yes



(3)	Mr. Akihiro Azuma, Whole Time Director	7	Yes
(4)	Mr. Kiyokazu Ishinabe, Director	5	Yes
(5)	Mr. Abhay Kakkar, Independent Director	7	No
(6)	Mr. Nagesh Dubey, Independent Director	6	Yes
(7)	Mr. Ikuo Nakamura, Director (Appointed as Director w.e.f March 20, 2018)	0	*NA
(8)	Mr. Rajeev Lochan Seth, Independent Director	7	No
(9)	Ms. Gouri Sawant ,Woman Director	7	Yes
(10)	Mr. Hiroshi Nishio, Director and Chairman (Ceased to be Director w.e.f February 28, 2018)	3	No

* The appointment was done subsequent to last AGM

(III) Committees of the Board of Directors:

(1) Composition:

Sr. No.	Name of the Committee	Composition of the Committee
(a)	Audit Committee	Mr. Nagesh Dubey - Chairman Mr. Kiyokazu Ishinabe Mr. Abhay Kakkar
(b)	Nomination and Remuneration Committee (NRC)	Mr. Kiyokazu Ishinabe- Chairman Mr. Abhay Kakkar Mr. Nagesh Dubey
(c)	Treasury and Asset Liability Management Committee	Mr. Kiyokazu Ishinabe- Chairman Mr. Sandeep Gambhir Mr. Akihiro Azuma
(d)	Executive Committee	Mr. Kiyokazu Ishinabe Mr. Sandeep Gambhir Mr. Akihiro Azuma



(e)	Risk Management Committee	Mr. Kiyokazu Ishinabe- Chairman Mr. Sandeep Gambhir Mr. Akihiro Azuma
(f)	Residual Value Committee	Mr. Kiyokazu Ishinabe- Chairman Mr. Sandeep Gambhir Mr. Akihiro Azuma
(g)	Credit Committee	Mr. Kiyokazu Ishinabe Mr. Sandeep Gambhir Mr. Akihiro Azuma
(h)	Corporate Social Responsibility (CSR) Committee	Mr. Kiyokazu Ishinabe - Chairman Mr. Sandeep Gambhir Mr. Abhay Kakkar
(i)	Allocation and Allotment Committee	Mr. Kiyokazu Ishinabe Mr. Sandeep Gambhir Mr. Nagesh Dubey Mr. Abhay Kakkar Mr. Akihiro Azuma

(2) Powers of the Committees:

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

(I) Financial Reporting:

- (1) To oversee the financial reporting process, accounting controls and disclosure of financial information to ensure that financial information report is sufficient and credible;
- (2) To review Related Party Transaction (RPT) Policy of the Company on a periodic basis and approve, in terms of the RPT Policy, any Related Party Transactions i.e. transactions of the Company of material nature with Related Parties as defined under section 2(76) of the Companies Act, 2013 that may have potential conflict with the interests of Company at large including modification in such transactions;




- (3) To review audited / unaudited / limited review of the annual and/or semi-annual financial statements before submission to the Board focusing primarily on:
 - (a) the application of significant accounting policies and any changes to them;
 - (b) the methods used to account for significant or unusual transactions;
 - (c) Compliance with accounting standards;
 - (d) Significant adjustments arising out of audit;
 - (e) Qualifications in draft audit report;
 - (f) Areas involving significant judgement, estimation or uncertainty and the provisions in the financial statements;
 - (g) Compliance with legal and regulatory and financial reporting requirements; and
 - (h) To review Auditors' Report on annual / semi-annual financial statement before submission to the Board;
- (4) To approve and ratify write offs amount upto the limit specified in Approval Authority Matrix (AAM) and report to the Board of Directors such write offs;
- (5) To recommend to Board for approval of write offs of an amount exceeding the threshold limits of Audit Committee, as specified in AAM, which requires approval of the Board ;
- (6) Scrutiny of inter-corporate loans and investments;
- (7) To note valuation of undertakings or assets of the Company, wherever necessary;
- (8) Monitoring the end use of funds raised through public offers and related matters;

(II) **Auditor (External Auditor) :**

The Committee shall:

- (1) 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);



- (2) review and monitor the External Auditor's independence and performance and effectiveness of audit process
- (3) if an External Auditor resigns, investigate the issues leading to this and decide whether any action is required;
- (4) oversee the relationship with the external auditor. In this context the Committee shall:
 - (a) 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;
 - (b) approve their terms of engagement, including any engagement letter issued at the start of each audit.
 - (c) 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;
- (5) satisfy itself that there are no relationships between the auditor and the company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
- (6) 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;
- (7) 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
- (8) 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;
- (9) review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
 - (a) a discussion of any major issues which arose during the audit;
 - (b) key accounting and audit judgements;
 - (c) the auditor's view of their interactions with senior management; and



(d) levels of errors identified during the audit;

- (10) review the management letter and management's response to the auditor's findings and recommendations.
- (11) 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.
- (12) 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.

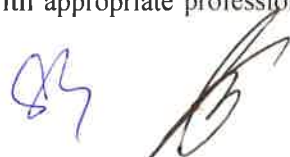
(III) **Internal Control :**

- (1) 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
- (2) 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.
- (3) review and approve the statements to be included in the annual report concerning internal control, risk management

(IV) **Internal Audit:**

The Committee shall:

- (1) approve the Internal Audit Charter.
- (2) approve the appointment or termination of the Head of Internal Audit;
- (3) review and approve the role and mandate of internal audit, monitor and review the effectiveness of its work;
- (4) review and approve the annual internal audit plan and scope to ensure it is aligned to the key risks of the business, and receive regular reports on work carried out;
- (5) ensure internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, ensure there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan, and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors;



- (6) 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
- (7) carry out an annual assessment of the effectiveness of the internal audit function; and as part of this assessment:
 - (a) determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business; and
 - (b) review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function;
- (8) 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
- (9) consider whether an independent, third party review of Information Technology (IT) Audit are appropriate.

(V) **Tax Auditors :**

The committee shall:

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

(VI) **Compliance :**

- (1) 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.
- (2) 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.



- (3) Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.
- (4) Obtain regular updates from compliance head regarding compliance matters.
- (5) review regular reports from the Compliance Officer and keep under review the adequacy and effectiveness of the company's compliance function
- (6) Consider whether the controls established to prevent fraud and illegal acts are adequate so as to ensure all major cases of fraud/illegal acts are reported to Audit Committee

(VII) **Whistleblowing and Fraud:**

The Committee shall:


- (1) review the company's procedures for detecting fraud;
- (2) review the company's systems and controls for the prevention of Bribery Anti-Corruption (ABAC) and receive reports on non-compliance;
- (3) Review Whistle Blower reports under Whistle Blower Policy and / or Vigil Mechanism

(VIII) **Litigation Review:**

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

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


- (1) Reviewing the current Board composition, its governance framework and determine future requirements and making recommendations to the Board for approval;
- (2) Examining the qualification, knowledge, skill sets, positive attributes and experience of each director and their effectiveness to the Board on a yearly basis;
- (3) Scrutinizing nominations for Independent/Non-Executive/Executive Directors with reference to their qualifications and experience and provide its recommendation to the Board for appointment/removal/filling of vacancies;
- (4) Identifying persons who are qualified to become Key Managerial Personnel and recommendation to the Board for their appointment and/or removal;



- (5) Formulate the Policy and recommend to the Board of Directors relating to the remuneration for the Directors and Key Managerial Personnel;
 - (6) Formulate the Policy relating to the appointment and remuneration of Senior Management Personnel; and
 - (7) Ensure fit and proper criteria of Directors.
- (c) Treasury and Asset Liability Management Committee: The key responsibilities of the Committee are:
- (1) Pricing of products for both deposits and advances;
 - (2) Fixing of desired maturity profile and mix of the incremental assets and liabilities;
 - (3) Collecting information about the prevailing interest rates offered by other peer NBFC for the similar services/products;
 - (4) Reviewing the results and progress in implementation of the decisions made in the previous meeting;
 - (5) To articulate the current interest rate view
 - (6) To develop a view on future direction of interest rate movements and decide on funding mixes between fixed v/s. floating rate funds, money market vs. capital market funding, domestic vs. foreign currency funding, etc
 - (7) 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
 - (8) 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.
 - (9) 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.
- (d) Executive Committee: The key responsibilities of the Committee are:
- (1) To lay down internal Rules, Policies, Processes and Regulations with regard to Credit and delegate it to the executives of the Company.
 - (2) To note waiver of income/reversals approved by Chairman and Director



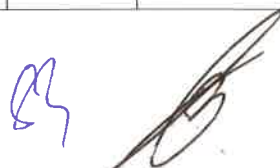
- (3) To consider and approve opening of New Bank Accounts (Current Account / Cash Credit Account / Over Draft Account) and also approve change in various Authorised Signatories and their respective empowerment for signing cheques / various instruments for and on behalf of the Company.
 - (4) To review Principal and Agency Agreement approved by Chairman and Director.
 - (5) To approve general expenditure (for single purpose) over Rs.10 mn.
 - (6) To consider and approve closure of Bank Accounts.
- (e) 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); and
 - (4) Risk reporting – Keeping the Board informed at regular intervals of credit, market and operational Risk Profile of the Company.
- (f) Residual Value Committee: The key responsibilities of the Committee are:
- (1) Setting up of Residual Value Policy;
 - (2) Setting up / alteration of Residual Value of Vehicles and Maintenance budget of Vehicles (Per KM Maintenance Cost);
 - (3) Delegate powers of the Committee to the Executives of the Company with regard to reduction in Residual Value and Per KM Maintenance Cost of the Vehicles within the limits as approved by the Committee; and
 - (4) Approve Residual Value for leasing of Commercial Vehicle.
- (g) Credit Committee: The Committee is entrusted with the powers of the Board of Directors with regard to approval of Credit Proposals of various finance businesses of the Company. All the approvals are obtained through electronic process i.e. system by virtue of Approval Matrix of the Company.
- (h) 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) Recommend the CSR expenditure to the Board for approval.
 - (5) Meet on half yearly basis to review the progress made, or at such intervals periods and may be required by the Company.
- (i) Allocation and Allotment Committee: The key responsibilities of the Committee are:
- (1) To allocate shares, debentures and other securities not exceeding the amount of issue approved by the Board of Directors of the Company from time to time;
 - (2) To approve allotment of securities from time to time;
 - (3) To affix or authorize affixation of Common Seal of the Company on the security certificates of the company; and
 - (4) To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

(3) Attendance of the Committees of Directors:

Type of Meetings	No. of Meetings held	Mr. Nagesh Dubey	Mr. Abhay Kakkar	Mr. Akihiro Azuma	Mr. Sandeep Gambhir	Mr. Kiyokazu Ishinabe
Audit Committee	5	4	5	-	-	5
Nomination and Remuneration Committee	4	3	4	-	-	3
Treasury and Asset Liability Management Committee	6	-	-	6	5	4
Residual Value Committee	2	-	-	2	2	2
CSR Committee	2	-	2	-	2	2
Risk Management Committee	2	-	-	2	2	2
Allocation and Allotment Committee	6	6	2	6	4	1
*Credit Committee	-	-	-	-	-	-
*Executive Committee	-	-	-	-	-	-



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

(IV) 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 20, 2018, pursuant to the provision of the Act.

Sitting fees was paid to all the Independent Directors of the Company for attending the meetings of Board of Directors and Committee meeting, wherever they are members. The Sitting fees have been approved to Rs. 40,000/- per Board Meeting and Rs. 15,000/- per meeting for Committee meetings with effect from November 9, 2016

(V) Board Performance Evaluation Mechanism:

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

- (1) Expertise;
- (2) Objectivity and Independence;
- (3) Guidance and support in context of life stage of the Company;
- (4) Understanding of the Company's business;
- (5) Understanding and commitment to duties and responsibilities;
- (6) Willingness to devote the time needed for effective contribution to Company;
- (7) Participation in discussion in effective and constructive manner;
- (8) Responsive in approach; and
- (9) Ability to encourage and motivate the management for continued performance and success.

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

- (a) 'Peer Review' form given by the directors, rating performance of all other Directors.
- (b) 'Committee Evaluation' form given by the directors, rating performance of individual committees.
- (c) 'Board Assessment' form given by every director, rating performance of the Board as a whole.
- (d) Responses received on the questionnaires from the Directors were reviewed in the below manner:
- (e) 'Peer Review' were reviewed by the NRC and recommended to the Board for its review. Subsequently, the Board reviewed the same.
- (f) 'Committee Evaluation' and 'Board Assessment' were reviewed by the Board.



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

(VI) General Meetings:

Meeting	Date and Time	Venue	Resolutions passed
11 th – Annual General Meeting	June 16, 2017	Mumbai	<p>(1) Adoption of Audited Accounts, Director's Report and Auditor's Report;</p> <p>(2) Appointment of Mr. Harukazu Yamaguchi (DIN) as Director liable to retire by rotation;</p> <p>(3) Re-appointment of statutory Auditors;</p> <p>Special Business:</p> <p>(4) Appointment of Mr. Rajeev Lochan Seth as Independent Director;</p> <p>(5) Appointment of Mr. Kiyokazu Ishinabe as Director;</p> <p>(6) Appointment of Ms. Gouri Sawant as Woman Director;</p> <p>(7) Increase in borrowing limits of the Company from Rs 1,500 Crore to Rs 2,000 Crore;</p> <p>(8) Increase in Limits for creation of charge on the assets of the Company upto an amount of Rs. 2,000 Crore to secure its borrowings;</p> <p>(9) Authority to issue Secured Redeemable Non-Convertible Debentures.</p>



17 th – Extra-Ordinary General Meeting	December 21, 2017	Mumbai	(1) Increase in Authorised Share Capital; (2) Amendment of the Memorandum of Association of the Company; (3) Approval for Issue, Allotment of Further Shares/Securities; (4) Re-appointment of Mr. Sandeep Gambhir as a Managing Director of the Company.
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(VII) Shareholding pattern as at March 31, 2018:

Name of Shareholder	No. of equity shares held
ORIX Auto Infrastructure Services Ltd. (OAIS)	100,935,831
Individual and OAIS	70
Total (Issued & Paid-up Shares)	100,935,901

(VIII) Related Party Transactions:

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors that may have potential conflict with the interest of the Company.

The Board of Directors of your Company have approved the Related Party Transactions Policy, which governs the following:

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

The said policy has been displayed on the website of the Company at <http://www.orixindia.com/uploadedfiles/Related%20Party%20Transaction%20Policy.pdf>

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



(IX) 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.



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 Companies Act, 2013. Various projects are within the framework of Schedule VII of the Companies Act, 2013. The web link to the CSR policy is at <http://www.orixindia.com/uploadedfiles/CSRPolicy.pdf>
- (2) The Composition of the CSR Committee: Mr. Kiyokazu Ishinabe Mr. Sandeep Gambhir and Mr. Abhay Kakkar
- (3) Average net profit of the company for last three financial years: Rs. **276,035,294**, 2015-2016, 2016-2017)
- (4) Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) –**Rs. 5,520,705/-**
- (5) Details of CSR spent during the financial year:
 - (a) Total amount to be spent for the financial year - **Rs. 5,520,705/--**
 - (b) Amount unspent, if any - None
 - (c) **Manner in which the amount spent during the financial year is detailed below :**



Sr. No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) Project Wise	Amount spent on the projects or programs Direct expenditure on projects or programs Overheads	Cumulative expenditure upto the reporting period	Amount spent through implementing agency*
(1)	Rural Development Project - Improve Community Engagement & Awareness; Providing Quality Healthcare Services; Environmental Sustainability and Quality Education	Community Engagement & Awareness; Healthcare Services; Environmental Sustainability and Quality Education.	Mograj Village, Raigarh District, Maharashtra	9,70,705/-	Direct expenditure on project	9,70,705/-	Indirect
(2)	Project - Jan Mitra Nyas-Varanasi - Sensitization of the community on the appropriate mother and child care practices; Construction of Quality and professional Health & nutrition service centres; to improve nutritional	Health and Nutrition	Varanasi	20,00,000/-	Direct expenditure on project	20,00,000/-	Indirect



	status among mothers and children, livelihood opportunities and WASH Situation						
(3)	Udyam Sakhi-Digital Livelihood & Employment for Women - Building upon the digital skills of nearly 300 trained women by providing them income opportunities through decent and safe working conditions	Women Employment	Eastern Utter Pradesh	10,00,000/-	Direct expenditure on program	10,00,000/-	Indirect
(4)	TENVIC – ORIX CSR Project for Training of nearly 400 students on sports education and life skills – Utilization of sports education as a medium to positively impact the lives of under-privileged children, who run the	Sports education and life skills	Bengaluru	13,50,000/-	Direct expenditure on program	13,50,000/	Indirect



	risk of being excluded by the society.						
(5)	Higher Secondary School Building Project - uplift the leprosy affected by providing medical, educational, socio-economic, and essential amenities to improve their standard of life.	Education and Healthcare	Thottanaval village, Uthiramerur Taluk, Kanchipuram District, Tamil Nadu	2,00,000/-	Direct expenditure on program	2,00,000/-	Indirect

* Details of Implementing Agency (Indirect):

- (1) Society for Educational Welfare and Economics Development (SEED)
- (2) Child Rights and You (CRY)
- (3) Jagriti Sewa Sansthan (Jagriti)
- (4) Tenvic Sports Education Private Limited
- (5) Rising Star Outreach of India



Mr. Sandeep Gambhir
Managing Director
DIN No.:00083116



Mr. Kiyokazu Ishinabe
Director
DIN No.: 07763966

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditors' Report

To the Members of ORIX Leasing & Financial Services India Limited

Report on the financial statements

We have audited the accompanying financial statements of ORIX Leasing & Financial Services India Limited ("the Company"), which comprise the Balance sheet as at 31 March 2018, the Statement of profit and loss and the Cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



Independent Auditors' Report (Continued)

ORIX Leasing & Financial Services India Limited

Auditors' responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control over financial reporting relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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.

Opinion

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 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 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('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 A", a statement on the matters specified in paragraph 3 and 4 of the Order.

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, and the Cash flow statement dealt with by this Report are in agreement with the books of account;



Independent Auditors' Report (Continued)

ORIX Leasing & Financial Services India Limited

- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigation on its financial position in financial statement – Refer note 23.1 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed. Refer note 23.12 to the financial statements.

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

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



Milind Ranade
Partner

Membership No: 100564

Mumbai
24 May 2018

ORIX Leasing & Financial Services India Limited

Annexure A to the Independent Auditors' Report – 31 March 2018

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such physical verification is reasonable. No material discrepancies were noticed on such verification.
- iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. According to the information and explanations given to us, the Company has not granted any loans to any director or any person in whom director is interested in terms of Section 185 of the Act, further Section 186 of the Act is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or other relevant provisions of the Act and rules framed there under apply.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the services rendered by the Company. Accordingly paragraph 3(vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, sales tax, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of wealth tax, duty of customs and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, goods and service tax, value added tax, sales tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of provident fund, employee's state insurance, service tax, goods and service tax, sales tax, cess and other material statutory dues which have not been deposited with appropriate authorities on account of any disputes.

ORIX Leasing & Financial Services India Limited

Annexure A to the Independent Auditors' Report – 31 March 2018 (Continued)

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

Name of the Statute	Nature of Dues	Amount Rs.	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	18,211,940	AY 2012-13	Commissioner of Income Tax (appeals) Mumbai
Income Tax Act, 1961	Income Tax	2,482,110	AY 2013-14	Deputy Commissioner of Income Tax (appeals) Mumbai
Income Tax Act, 1961	Income Tax	8,999,596	AY 2014-15	Assistant Commissioner of Income Tax (appeals) Mumbai
Value Added Tax Act	VAT	38,559,650	AY 2012-13 and AY 2013-14	Joint Commissioner of sales Tax, Delhi
Value Added Tax Act	VAT	5,042,187	AY 2012-13	Appellate Deputy Commissioner CT, Chennai
Value Added Tax Act	VAT	8,937,979	AY 2012-13	Joint Commissioner of sales Tax, Maharashtra
Value Added Tax Act	VAT	410,072	AY 2013-14	Appellate Deputy Commissioner CT, West Bengal
Value Added Tax Act	VAT	3,898	AY 2013-14	Appellate Deputy Commissioner CT, West Bengal
Value Added Tax Act	VAT	146,364	AY 2013-14	Appellate Deputy Commissioner CT, Rajasthan
Value Added Tax Act	VAT	6,338,825	AY 2012-13	Joint Commissioner of Sales Tax, Maharashtra

- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banks, financial institutions or debenture holders.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- x. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act .
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Thus, paragraph 3 (xii) of the Order is not applicable.

ORIX Leasing & Financial Services India Limited

Annexure A to the Independent Auditors' Report – 31 March 2018 (Continued)

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanation given to us, the Company has not entered into non-cash transactions with directors or person connected with him. Thus, paragraph 3 (xv) of the Order is not applicable.
- xvi. The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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



Milind Ranade
Partner

Membership No: 100564

Mumbai
24 May 2018

Annexure B to the Independent Auditors' Report of even date on the standalone financial statements of ORIX Leasing & Financial Services India 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 over financial reporting of ORIX Leasing & Financial Services India Limited ("the Company") as of 31 March 2018 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". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 system over financial reporting.



Annexure B to the Independent Auditors' Report of even date on the standalone financial statements of ORIX Leasing & Financial Services India Limited (Continued)

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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".

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

Chartered Accountants

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



Milind Ranade

Partner

Membership No: 100564

Mumbai
24 May 2018

ORIX Leasing & Financial Services India Limited

Balance sheet

as at 31 March 2018

(Currency: Indian Rupees)

	Note	31 March 2018	31 March 2017
I EQUITY AND LIABILITIES			
1 Shareholders' fund			
Share capital	3	1,00,93,59,010	88,93,59,010
Reserves and surplus	4	3,87,49,40,814	2,83,70,84,155
		<u>4,88,42,99,824</u>	<u>3,72,64,43,165</u>
2 Non-current liabilities			
Long-term borrowings	5	9,56,01,19,018	5,11,59,90,975
Other long term liabilities	6	15,06,12,520	8,01,77,252
Long term provisions	7	16,23,37,839	8,56,78,592
		<u>9,87,30,69,377</u>	<u>5,28,18,46,819</u>
3 Current liabilities			
Short term borrowings	8	3,23,42,20,924	1,24,92,73,739
Trade payables	9	-	-
Total outstanding dues of Micro and Small enterprises		-	-
Total outstanding dues of creditors other than Micro and Small enterprises		4,49,35,771	29,25,76,267
Other current liabilities	10	2,89,84,34,194	1,90,86,26,142
Short-term provisions	11	3,27,28,971	3,65,58,580
		<u>6,21,03,19,860</u>	<u>3,48,70,34,728</u>
TOTAL		<u><u>20,96,76,89,061</u></u>	<u><u>12,49,53,24,712</u></u>
II ASSETS			
1 Non-current assets			
Fixed Assets			
Property, Plant and Equipment	12	19,19,86,657	25,12,35,606
Intangible assets		1,55,87,826	2,00,65,799
Capital Work in Progress		-	1,84,80,660
		<u>20,75,74,483</u>	<u>28,97,82,065</u>
Deferred tax asset (net)	23.8	72,94,34,939	64,07,08,521
Long-term loans and advances	13	15,09,84,66,608	7,97,37,79,498
Other non-current assets	14	3,22,618	5,59,547
		<u>16,03,57,98,648</u>	<u>8,90,48,29,631</u>
2 Current assets			
Cash and bank balances	15	5,31,74,073	8,62,58,401
Short term loans and advances	16	4,75,62,56,964	3,43,94,47,329
Other current assets	17	12,24,59,376	6,47,89,351
		<u>4,93,18,90,413</u>	<u>3,59,04,95,081</u>
TOTAL		<u><u>20,96,76,89,061</u></u>	<u><u>12,49,53,24,712</u></u>
Significant accounting policies	2		


The accompanying notes form an integral part of these financial statements

As per our report of even date attached

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

Chartered Accountants

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



Milind Ranade

Partner

Membership No: 100564

For and on behalf of the Board of Directors
ORIX Leasing & Financial Services India Limited

CIN : U74900MH2006PLC163937



Sandeep Gambhir

Managing Director

(DIN - 00083116)



Kenyokazu Ishinabe

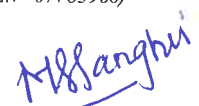
Director

(DIN - 07763966)



Vivek Wadhwa

CFO



Meeta Sanghvi

Company Secretary

ORIX Leasing & Financial Services India Limited

Statement of profit and loss for the year ended 31 March 2018

(Currency: Indian Rupees)

	<i>Note</i>	31 March 2018	31 March 2017
REVENUE			
Revenue from operations	18	1,98,27,41,354	1,28,91,72,121
Other income	19	2,83,13,634	1,96,34,920
Total revenue		2,01,10,54,988	1,30,88,07,041
EXPENSES			
Employee benefit expenses	20	27,89,18,389	20,35,26,021
Finance costs	21	93,13,24,525	53,41,61,671
Depreciation and amortisation expenses	12	4,45,68,931	4,02,12,365
Other expenses	22	33,52,13,112	24,38,02,854
Total expenses		1,59,00,24,957	1,02,17,02,911
PROFIT BEFORE TAX		42,10,30,031	28,71,04,131
TAX EXPENSE			
Current tax		24,84,83,553	17,11,24,427
(Excess) / Short provision of tax for earlier years		25,16,237	(28,03,420)
Deferred tax	23.8	(8,87,26,418)	(7,92,14,521)
PROFIT FOR THE YEAR		25,87,56,659	19,79,97,645
EARNING PER EQUITY SHARE			
Basic and diluted earning per share of ₹ 10/- face value	23.7	2.81	2.23
Significant accounting policies	2		


The accompanying notes form an integral part of these financial statements

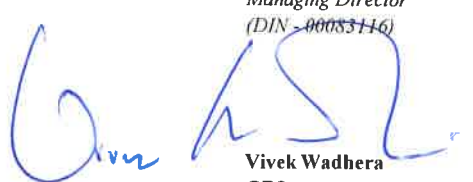
As per our report of even date attached

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

For and on behalf of the Board of Directors
ORIX Leasing & Financial Services India Limited
CIN : U74900MH2006PLC163937


Milind Ranade
Partner
Membership No: 100564


Sandeep Gambhir
Managing Director
(DIN - 00053116)


Vivek Wadhwa
CFO


Kiyokazu Ishinabe
Director
(DIN - 07763966)


Meeta Sanghvi
Company Secretary

Mumbai
24 May 2018

ORIX Leasing & Financial Services India Limited

Cash flow statement

for the year ended 31 March 2018

(Currency: Indian Rupees)

	31 March 2018	31 March 2017
Cash flow from operating activities		
Profit Before Tax	42,10,30,031	28,71,04,131
Adjustments:		
Depreciation and amortisation expenses	4,45,68,931	4,02,12,365
Profit on sale of fixed assets	(2,15,405)	-
Provision for standard assets and non-performing assets	4,75,82,099	3,52,84,800
Sundry balances written off	19,57,286	16,81,633
Bad debts written off	-	97,06,065
Sundry balances written back	(75,89,004)	(1,25,63,787)
Operating profit before working capital changes	50,73,33,938	36,14,25,207
Adjustments:		
(Increase) in Loan and Advances	(8,43,82,61,206)	(3,91,65,69,400)
(Increase) in other assets	(5,96,22,381)	(47,29,621)
Increase in trade / other payables	9,97,56,560	8,74,11,119
Increase / (Decrease) in other liabilities & provisions	1,97,94,092	(3,44,28,710)
Net cash used in operating activities before taxes	(7,87,09,98,997)	(3,50,68,91,405)
Less: Taxes paid (net of refunds)	(24,33,99,428)	(17,28,44,133)
Cash flows used in operating activities -A	(8,11,43,98,425)	(3,67,97,35,538)
Cash flow from investing activities		
Purchase of fixed assets	(9,81,70,358)	(19,48,90,424)
Proceeds from sale of fixed assets	13,60,24,413	31,59,651
Investment in fixed deposits	(18,60,13,32,802)	(60,73,950)
Redemption in fixed deposits	18,60,70,58,904	70,96,782
Cash flows (used in)/from investing activities -B	4,35,80,156	(19,07,07,941)



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ORIX Leasing & Financial Services India Limited

Cash flow statement (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees)

	31 March 2018	31 March 2017
Cash flow from financing activities		
Proceeds from long-term borrowings	6,85,00,00,000	5,95,00,00,000
Proceeds from short-term borrowings	3,32,85,00,000	35,42,00,000
Repayment of long term borrowings	(1,75,58,71,955)	(1,92,39,70,406)
Repayment of short term borrowings	(1,27,85,00,000)	(60,42,00,000)
Issue of equity shares at Premium	90,00,00,000	-
Share issue expenses	(9,00,000)	-
Cash flows generated from financing activities - C	8,04,32,28,045	3,77,60,29,594
Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	(2,75,90,224)	(9,44,13,885)
Cash & cash equivalents as at the beginning of the year	7,37,15,449	16,81,29,334
Cash and cash equivalents as at the end of the year	4,61,25,223	7,37,15,449
Reconciliation of cash and cash equivalents with the balance sheet :		
Cash and cash equivalent as per balance sheet	5,31,74,073	8,62,58,401
Less: Fixed deposits with a maturity of equal to and more than 3 months but less than 12 months.	70,48,850	1,25,42,952
Cash and cash equivalents as at the end of the year	4,61,25,223	7,37,15,449

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of the Board of Directors

ORIX Leasing & Financial Services India Limited

CIN : U74900MH2006PLC163937



Milind Ranade

Partner

Membership No: 100564



Sandeep Gambhir

Managing Director

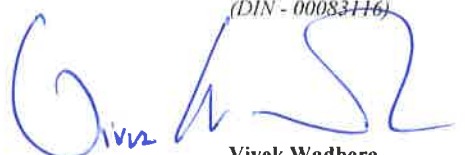
(DIN - 00083116)



Kiyokazu Ishinabe

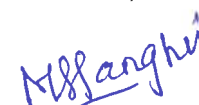
Director

(DIN - 07763966)



Vivek Wadhwa

CFO



Meeta Sanghvi

Company Secretary

Mumbai

24 May 2018

ORIX Leasing & Financial Services India Limited

Notes to the financial statements

for the year ended 31 March 2018

(Currency: Indian Rupees)

1 Background

ORIX Leasing & Financial Services India Limited ("the Company") incorporated on 21 August 2006, is a loan Non - Banking Financial Company ("NBFC"), as defined under section 45 IA of the Reserve Bank of India Act, 1934. It is a wholly owned subsidiary of ORIX Auto Infrastructure Services Limited. The Company provides financial services such as Finance Leasing of Passenger Cars, installment loans for Commercial Vehicles ("CV") and Loan against Property ("LAP") in India. The company is a debt listed entity in National Stock Exchange ("NSE").

2 Significant Accounting Policies

The accounting policies set out below have been applied consistently to the year presented in the financial statements.

2.1 Basis of preparation of financial statements

The accompanying financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed under section 133 of Companies Act 2013, read with Rule 7 of Companies (accounts) Rule 2014, the Reserve Bank of India ("RBI") guidelines as issued by the RBI in respect of NBFCs and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian Rupees.

2.2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from the estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Current –non- current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in the Company's normal operating cycle;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is due to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

2.4 Revenue Recognition :

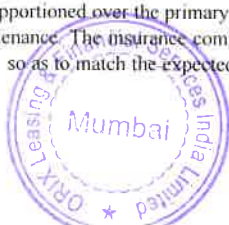
Income is recognised on accrual basis except income relating to Non Performing Assets ("NPA") which is recognised on cash basis in accordance with Guidelines issued by the RBI.

(a) Income from Finance Lease, Loan against Hypothecation, Loan against Property and Operating Lease :

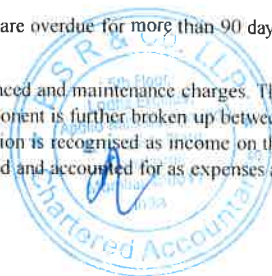
- In respect of assets leased on or after 01 April 2001, Finance income is apportioned over the period of primary lease at the Internal Rate of Return and in respect of Loans against Hypothecation and Loan against property, the interest income is recognised on time proportion basis at Internal Rate of Return method.

In case of interest on Loan against Hypothecation and Finance income in Finance Lease, when the installments are overdue for more than 90 days, interest and Finance income is recognised on cash basis and income recognised earlier is reversed.

- In respect of Maintenance Linked Leases ("MLL"), lease rentals are segregated between recovery for asset financed and maintenance charges. The Finance income is apportioned over the primary lease at Internal Rate of Return Method. The maintenance component is further broken up between insurance and maintenance. The insurance component is recognised on equated basis and the maintenance portion is recognised as income on the sum of digit method so as to match the expected costs on the maintenance. The maintenance costs are recognised and accounted for as expenses as and when incurred.



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees)

2 Significant Accounting Policies (Continued)

2.4 Revenue Recognition: (Continued)

(a) Income from Finance Lease, Loan against Hypothecation, Loan against Property and Operating Lease : (Continued)

- (iii) Origination fees are recognised as income in the period of origination of leases/loans against hypothecation.
- (iv) Income arising out of modification in Finance Lease is recognised when the recoverability of the same is ascertained.
- (v) Income arising out of delayed payment in Loan against Hypothecation is recognised on receipt of the same.
- (vi) The income from loan processing fees received is amortized on Effective Interest Rate over the loan period.
- (vii) In respect of 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 income on an operating lease is recognized in the Statement of profit and loss on a straight-line basis over the lease term.

(b) Profit on Sale/Assignment of Lease/Loans :

On transactions carried out prior to 30 January 2012 the profit on Sale/Assignment of Lease/Loans on bilateral basis is recognised on sale.

2.5 Fixed assets :

- a) Fixed assets are stated at cost of acquisition (inclusive of interest where applicable) less accumulated depreciation / impairment losses.
- b) The cost of fixed assets not ready for their intended use at the balance sheet date is disclosed under capital work in progress.
- c) Computer software acquired are capitalized and amortized on straight line basis over the estimated useful life of 6 years.
- d) Assets given by the Company under operating lease are included in fixed assets

2.6 Depreciation/Amortisation on Fixed assets:

Depreciation on fixed assets is calculated on a straight line method at the rates prescribed under Part "C" of Schedule II to the Companies Act, 2013, except for following assets. The useful life of the asset is the period over which an asset is expected to be available for use to the Company.

Asset Type	Useful life
Furniture and fixtures	4-7 years
Vehicles	4 years
Commercial Vehicles under Operating Lease	6 years
Software	6 years

Lease hold improvements are amortised on a straight line method over the period of lease.

Depreciation for the month of purchase is calculated in the proportionate period from the date of purchase.

Depreciation for the month of sale is calculated in the proportionate period till the date of sale.

Fixed assets costing less than ₹ 5000 are depreciated fully in the year of purchase.

2.7 Finance Leases:

The Company has entered into lease contracts where in a substantial part of the risks and rewards associated with the ownership of the assets are transferred to the lessee. Based on the parameters enunciated under AS – 19 Leases, the Company has classified such lease contracts as finance lease. In making this assessment, besides the qualitative factors in terms of transfer of risks and rewards, the Company also considers the lease term and the present value of future lease rentals as the key criteria for determination of the lease classification.



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees)

2 Significant Accounting Policies (Continued)

2.8 Loans:

Loan assets are recognised on disbursement of loan. CV and LAP loans are classified as per the RBI guidelines, into performing and non-performing assets. All loans and other credit exposures where the installments, including interest and other dues are overdue for a period of more than 90 days are classified as non-performing assets in accordance with the prudential norms prescribed by the RBI. Further, non-performing assets are classified into loss assets and provision is based on criteria stipulated by the RBI guidelines. Additional provisions are made against specific non-performing assets over and above as stated in the RBI guidelines, if in the opinion of management, a higher provision is necessary. The Company maintains general provision for standard assets as per the prudential norms prescribed by the RBI.

2.9 Brokerage and Processing Fees:

The brokerage paid on CV and LAP business and processing fees paid for borrowings is recognised on amortisation basis over the tenure of loan and borrowings. Initial Direct Cost for lease is expensed out in the period of origination of lease.

2.10 Impairment of assets:

The carrying amounts of assets are reviewed at each balance sheet date, for indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of funds.

2.11 Provision for non performing assets :

The Company follows the prudential guidelines prescribed by the Reserve Bank of India for Non-Banking Financial Companies relating to recognition of income and provisioning for non-performing assets. Provisions/write offs are made against substandard and doubtful assets at the rates prescribed in the Reserve Bank of India guidelines, unless an accelerated provision/write off is warranted on a case to case basis as decided by the Management.

The Company has also made provision of 0.40% for Standard Assets, in accordance with Reserve Bank of India notification. This provision is required by RBI to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns and is shown in the Balance Sheet separately as "contingent provision against standard assets".

Provisioning on commercial vehicle lease business is done based on days passed due and management's judgement.

2.12 Cash and Cash Equivalents :

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

2.13 Employees benefits :

(a) Short-term employee benefits :

Employee benefits payable wholly within twelve months of receiving employee services are classified as short term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by the employees.

(b) Post-employment benefits :

i) Defined contribution plans :

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

ii) Defined benefit plans :

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

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefit expense in the Statement of profit and loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of profit and loss on a straight-line basis over the average period until the benefits become vested. The company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees)

2 Significant Accounting Policies (Continued)

2.13 Employees benefits :(Continued)

(c) Leave encashment :

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

2.14 Provision, contingent liabilities and contingent assets :

- a) A provision is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of economic resources would be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent Assets are neither recognized nor disclosed in the financial statements.
- b) Provision for loans sold / assigned where credit enhancements are provided, are made by applying NPA provisioning norms of the Company, subject to the cap on the credit enhancement provided in each transaction.

2.15 Taxation :

Income tax expense comprises the current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and the deferred tax charge or credit reflecting the tax effects of timing differences between accounting income and taxable income for the year.

The deferred tax charge or credit and the corresponding deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the accounting profits and taxable profits. Deferred tax assets and liabilities are measured using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred Tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount i.e. reasonably certain to be realised.

2.16 Foreign currency transactions :

Foreign currency transactions are accounted for at the rate prevailing on the date of the transaction. Foreign currency monetary items outstanding at the year end are restated at the year end rate. Exchange differences relating to such transactions are dealt with in the profit and loss account.

2.17 Earnings per share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period 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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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: Indian Rupees)

3 Share capital :

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹10 each	1,50,00,00,000	15,00,00,00,000	9,00,00,000	90,00,00,000
Issued				
Equity Shares of ₹10 each	10,09,35,901	1,00,93,59,010	8,89,35,901	88,93,59,010
Subscribed & fully paid up				
Equity Shares of ₹10 each	10,09,35,901	1,00,93,59,010	8,89,35,901	88,93,59,010
Total	10,09,35,901	1,00,93,59,010	8,89,35,901	88,93,59,010

- a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	8,89,35,901	88,93,59,010	8,89,35,901	88,93,59,010
Shares issued during the year	1,20,00,000	12,00,00,000	-	-
Shares outstanding at the end of the year	10,09,35,901	1,00,93,59,010	8,89,35,901	88,93,59,010

* During the year the company has issued 1,20,00,000 equity shares of ₹ 10 each at a premium of ₹ 65 to ORIX Auto Infrastructure Services Limited

- b. 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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining 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 shareholders.
- c. 10,09,35,901 (P.Y. 8,89,35,901) Equity Shares are held by ORIX Auto Infrastructure Services Limited, the holding company and its nominees.
- d. Details of shareholders holding more than 5% shares in the Company/ shares held by holding/ultimate holding company and its nominees:

Name of Shareholder	As at 31 March 2018		As at 31 March 2017	
	No of shares held	% of holding	No of shares held	% of holding
ORIX Auto Infrastructure Services Limited and its nominees	10,09,35,901	100.00%	8,89,35,901	100.00%

Note:

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents beneficial ownerships of shares.

- e. During the five years preceding year ended 31 March 2018, 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



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: Indian Rupees)

4 Reserves and surplus :

Particulars	As at 31 March 2018	As at 31 March 2017
Statutory Reserve		
(Created pursuant to section 45 I C of Reserve Bank of India Act, 1934 as amended by RBI (Amendment) Act, 1997)		
Opening balance	14,04,58,810	10,08,59,281
Add : Additions during the year	5,17,51,332	3,95,99,529
Closing balance	19,22,10,142	14,04,58,810
Securities premium account		
Opening balance	2,25,11,75,295	2,25,11,75,295
Add : Premium on Equity Shares issued during the year	78,00,00,000	-
Less : Expenses on Equity Shares issued during the year	9,00,00,000	-
Closing balance	3,03,02,75,295	2,25,11,75,295
Balance in the statement of profit and loss		
Opening balance	44,54,50,050	28,70,51,933
Add : Profit for the year	25,87,56,659	19,79,97,646
Less: Transfer to statutory reserve	5,17,51,332	3,95,99,529
Closing balance	65,24,55,377	44,54,50,050
Total	3,87,49,40,814	2,83,70,84,155

5 Long-term borrowings

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured		
Term Loan from banks	2,61,01,19,018	2,91,59,90,975
Masala Bond	1,00,00,00,000	-
ECB Borrowing from Bank	75,00,00,000	-
Total	4,36,01,19,018	2,91,59,90,975
Secured		
Non Convertible Debentures	5,20,00,00,000	2,20,00,00,000
Total	9,56,01,19,018	5,11,59,90,975

Notes:

- i Loans as on 31 March 2018, are repayable as stated below :

Repayment terms	Interest Rate	Repayable in			Total
		1-2 years	2-3 years	3-5 years	
Monthly (Floating)	8.53%	73,53,60,361	33,75,00,000	6,25,00,000	1,13,53,60,361
Quarterly (Floating)	8.33%	98,09,52,377	35,83,33,333	-	1,33,92,85,710
Monthly (Fixed)	9.50%	7,29,72,947	28,12,50,000	46,87,50,000	82,29,72,947
Quarterly (Fixed)	9.45%	6,25,00,000	-	-	6,25,00,000
Bullet Payment (Fixed)	8.33%	3,20,00,00,000	2,00,00,00,000	1,00,00,00,000	6,20,00,00,000
Total		5,05,17,85,685	2,97,70,83,333	1,53,12,50,000	9,56,01,19,018

Previous Year 2016-2017 :

Repayment terms	Interest Rate	Repayable in			Total
		1-2 years	2-3 years	3-5 years	
Monthly (Floating)	9.43%	55,33,78,380	41,86,93,695	2,08,33,327	99,29,05,402
Quarterly (Floating)	8.82%	71,90,47,617	64,76,19,052	2,50,00,000	1,39,16,66,669
Monthly (Fixed)	9.50%	14,59,45,956	7,29,72,947	-	21,89,18,903
Quarterly (Fixed)	9.45%	25,00,00,000	6,25,00,000	-	31,25,00,000
Bullet Payment (Fixed)	8.33%	-	2,20,00,00,000	-	2,20,00,00,000
Total		1,66,83,71,953	3,40,17,85,694	4,58,33,327	5,11,59,90,974

ii Term loan from banks as above is guaranteed by ORIX Corporation, Japan (Ultimate holding Company)

iii The NCDs are secured by way pari-passu charge on the mortgage on identified immovable property of the Company and a specific floating charge over future receivables of the Company with security cover of 1.1x

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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: Indian Rupees)

6 Other long term liabilities

Particulars	As at	As at
	31 March 2018	31 March 2017
Security Deposits from lessees/hires	6,48,24,384	5,13,54,607
Income received in advance	8,57,88,136	2,88,22,645
Total	15,06,12,520	8,01,77,252

7 Long term provisions

Particulars	As at	As at
	31 March 2018	31 March 2017
Employee Benefits :		
Provision for leave encashment	1,12,06,099	1,19,51,641
Others :		
Provision for non performing assets	9,12,99,547	4,49,94,289
Contingent provision against standard assets	5,98,32,193	2,87,32,662
Total	16,23,37,839	8,56,78,592

8 Short term borrowings

Particulars	As at	As at
	31 March 2018	31 March 2017
From banks:		
Loan Repayable on Demand (Secured)		
Cash Credit	1,06,39,39,082	21,39,59,817
Loan Repayable on Demand (Unsecured)		
Overdraft Facility	12,02,81,842	63,53,13,922
Secured Loans		
Term Loan	-	40,00,00,000
Unsecured Loans		
Term Loan	2,05,00,00,000	-
Total	3,23,42,20,924	1,24,92,73,739

Notes:

- i. Short term borrowings from banks as on 31 March 2018 are carrying interest in the range of 7.30% p.a. to 11.20% p.a.
- ii. Short term borrowings in the form of cash credit and term loans are secured by floating charge by way of Hypothecation of the following assets as per the drawing power:
 - a. Receivables under Lease & Hire-Purchase with hypothecated assets.
 - b. Receivables of loans extended by the company to different borrowers with beneficial interest on hypothecated assets.
 - c. Unencumbered own assets.

9 Trade payables

Particulars	As at	As at
	31 March 2018	31 March 2017
Trade payables (including provision for expenses)		
(i) Outstanding of MSME	-	-
(ii) Others	4,49,35,771	29,25,76,267
Total	4,49,35,771	29,25,76,267



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued) as at 31 March 2018

(Currency: Indian Rupees)

10 Other current liabilities :

Particulars	As at	As at
	31 March 2018	31 March 2017
Current maturities of term loan from banks (Unsecured) *	2,31,83,71,953	1,66,83,71,953
Interest accrued but not due on borrowings	29,02,73,827	10,68,48,547
Income received in advance	1,23,69,189	56,38,320
Security Deposits from lessees/hirers	1,05,08,079	1,34,59,320
Book Overdraft	1,14,94,230	84,92,303
Tax deducted at source	97,75,913	62,58,710
Service tax payable	-	23,977
Sale tax payable	-	41,93,719
GST payable	4,84,96,175	-
Statutory dues pertaining to employees	21,98,353	14,46,150
Advances from customers	9,28,44,104	5,98,75,010
Other payables		
i) Payable to employees	2,31,96,807	1,80,00,721
ii) Other payables	47,76,817	11,81,175
From related parties (Unsecured)		
ORIX Auto Infrastructure Services Limited	7,41,28,747	1,48,36,237
Total	2,89,84,34,194	1,90,86,26,142

Note:

* Term loan from banks as above is guaranteed by ORIX Corporation, Japan (Ultimate holding Company)

11 Short-term provisions

Particulars	As at	As at
	31 March 2018	31 March 2017
Employee Benefits		
Provision for leave encashment	11,29,270	5,80,539
Provision for Gratuity	-	21,82,006
Others :		
Contingent provision against standard assets	1,72,00,111	1,12,05,568
Provision for contingencies	1,17,384	1,91,44,162
Provision for taxation [net of TDS and advance tax of ₹ 43,21,82,022 (2017 - ₹ 19,45,16,946)]	1,42,82,206	34,46,305
Total	3,27,28,971	3,65,58,580



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued) as at 31 Mar 2018

(Currency: Indian Rupees)

12 Fixed assets

Particulars	Gross Block			Depreciation/Amortisation		Net Block	
	As at 1 April 2017	Additions	Deductions	As at 31st Mar18	For the Year	As at 31st Mar18	As at 31 March 2017
Property, Plant and Equipment							
Buildings	40,75,450	-	-	40,75,450	67,924	1,30,638	40,12,737
Leasehold Improvements	23,67,981	27,19,251	-	50,87,232	8,13,346	12,94,374	18,86,953
Furniture and Fixtures	25,79,885	11,62,826	45,832	36,96,879	6,03,561	11,17,648	20,45,117
Vehicles	1,57,08,593	47,47,494	6,21,865	1,98,34,222	47,02,608	93,06,286	1,04,83,050
Data Processing Equipments	1,40,32,978	23,24,398	17,52,984	1,46,04,392	28,70,369	1,01,72,597	50,72,620
Office Equipment	35,60,214	10,30,117	4,05,391	41,84,940	7,80,487	12,02,749	29,82,191
Sub- total	4,23,25,101	1,19,84,086	28,26,072	5,14,83,115	98,38,295	2,32,24,292	2,82,58,823
Leased Assets							
Commercial Vehicle Lease	25,84,30,686	10,46,66,932	16,93,12,815	19,37,84,803	3,02,52,664	3,00,56,970	22,49,72,066
Sub- total	25,84,30,686	10,46,66,932	16,93,12,815	19,37,84,803	3,02,52,664	3,00,56,970	22,49,72,066
Intangible Assets							
Software	2,75,18,107	-	-	2,75,18,107	44,77,973	1,19,30,281	2,00,65,799
Sub- total	2,75,18,107	-	-	2,75,18,107	44,77,973	1,19,30,281	2,00,65,799
Total	32,82,73,894	11,66,51,018	17,21,38,887	5,69,72,490	4,45,68,932	6,52,11,543	27,13,01,405



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued) as at 31 March 2018

(Currency: Indian Rupees)

12 Fixed assets (Continued)

Previous Year 2016-2017 :

Particulars	Gross Block		Depreciation/Amortisation		Net Block	
	As at 1 April 2016	As at 31 March 2017	For the Year	Deductions	As at 31 March 2017	As at 31 March 2016
Property, Plant and Equipment						
Buildings	-	40,75,450	62,713	-	40,12,737	-
Leasehold Improvements	5,08,835	23,67,981	2,72,874	-	18,86,953	3,00,681
Furniture and Fixtures	10,52,047	25,79,885	2,55,149	-	20,45,117	7,72,429
Vehicles	76,90,164	1,57,08,593	25,34,340	3,15,993	1,04,83,050	46,82,968
Data Processing Equipments	1,10,41,451	1,40,32,979	23,04,325	6,52,778	50,72,620	37,32,638
Office Equipment	12,00,432	35,60,214	2,56,328	-	27,63,063	6,59,609
Sub- total	2,14,92,929	4,23,25,102	56,85,729	9,68,771	1,60,61,562	1,01,48,325
Leased Assets						
Commercial Vehicle Lease	7,35,89,077	18,71,96,012	3,10,07,489	-	22,49,72,066	7,11,37,946
Sub- total	7,35,89,077	18,71,96,012	3,10,07,489	-	22,49,72,066	7,11,37,946
Intangible Assets						
Software	1,60,85,638	1,14,32,469	35,19,147	-	2,00,65,799	1,21,52,477
Sub- total	1,60,85,638	1,14,32,469	35,19,147	-	2,00,65,799	1,21,52,477
Total	11,11,67,644	22,12,34,673	4,02,12,365	9,68,771	5,69,72,490	9,34,38,748



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued) as at 31 March 2018

(Currency: Indian Rupees)

13 Long-term loans and advances

Particulars	As at 31 March 2018	As at 31 March 2017
(A) Long Term Loans to Customers		
(i) Secured, considered good		
Finance lease	1,85,98,58,775	2,17,87,34,958
Loans against hypothecation of assets	3,61,23,14,971	2,32,01,61,410
Loans against property	9,45,08,52,173	3,40,98,30,427
Total - A	14,92,30,25,919	7,90,87,26,795
(B) Advances for assets		
(i) Secured, considered good	1,89,40,605	-
	1,89,40,605	
(C) Other Long Term Loans and Advances		
(i) Unsecured, considered good		
Premises Deposits	24,09,994	10,92,801
Sundry Deposits	5,09,388	4,81,972
Prepaid expense	13,26,44,870	4,68,98,878
(ii) Advance Income taxes [net of provision of ₹ 69,24,28,252 (2017 - ₹ 68,99,29,439)]	1,62,98,409	1,30,62,870
(iii) VAT Input Credit & TDS Refund	46,37,423	35,16,182
Total - C	15,65,00,084	6,50,52,703
Total	15,09,84,66,608	7,97,37,79,498

14 Other non-current assets :

Particulars	As at 31 March 2018	As at 31 March 2017
Bank deposits	2,75,000	5,07,000
Interest accrued on deposits	47,618	52,547
Total	3,22,618	5,59,547

Note:

Bank deposit of ₹ 2,75,000 (P. Y. ₹ 5,07,000) are lien marked deposits with bank for obtaining bank guarantees provided to various VAT authorities



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued) as at 31 March 2018

(Currency: Indian Rupees)

15 Cash and Bank Balances

Particulars	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalent		
Cash on hand and as imprest	3,94,783	3,83,366
Balances with banks :		
In current account	4,57,30,440	7,33,32,083
Other Bank Balances		
Deposit with original maturity of more than 3 months but residual maturity of less than 12 months	70,48,850	1,25,42,952
Total	5,31,74,073	8,62,58,401

Note:

Bank deposit of ₹ Nil (P. Y. ₹ 69,03,997) pertains to deposits provided as a collateral for sale / securitisation of loan receivables.

16 Short-term loans and advances

Particulars	As at 31 March 2018	As at 31 March 2017
1) Loans to Customers		
a) Finance lease		
Secured, considered good		
Secured, considered good	1,47,27,17,463	1,25,24,26,241
Doubtful	1,85,58,023	2,01,01,732
	<u>1,49,12,75,486</u>	<u>1,27,25,27,973</u>
b) Loan against hypothecation		
Secured, considered good	2,48,21,76,498	1,82,44,38,018
Doubtful	3,88,37,537	2,15,70,936
	<u>2,52,10,14,035</u>	<u>1,84,60,08,954</u>
c) Loan against Property		
Secured, considered good		
Secured, considered good	34,51,33,795	12,47,26,576
Doubtful	2,46,22,000	34,40,986
	<u>36,97,55,795</u>	<u>12,81,67,562</u>
d) CV Lease		
Secured, considered good		
Secured, considered good	49,08,691	71,41,757
Doubtful	55,37,335	-
	<u>1,04,46,026</u>	<u>71,41,757</u>
2) Other Loans and Advances		
a) Advance to employees (Unsecured)	4,25,916	2,23,659
b) Prepaid Expenses (Unsecured)	4,31,38,939	3,09,05,896
c) VAT Input Credit	38,565	11,34,27,763
d) GST Input Credit	25,99,71,521	-
e) Sales Tax Refund	56,17,142	-
f) Sundry Deposits	2,49,94,972	1,02,75,338
g) Service tax input credit	-	1,27,13,018
	<u>33,41,87,055</u>	<u>16,75,45,674</u>
3) Others (Unsecured)		
Balance with suppliers	74,80,247	1,45,05,811
Advances for expenses	2,20,98,320	35,49,598
	<u>2,95,78,567</u>	<u>1,80,55,409</u>
Total	4,75,62,56,964	3,43,94,47,329



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: Indian Rupees)

17 Other current assets

Particulars	As at 31 March 2018	As at 31 March 2017
Interest accrued on deposits	1,20,038	66,59,428
Interest accrued but not due	11,82,89,690	5,81,29,923
Other assets	40,49,648	-
Total	12,24,59,376	6,47,89,351



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued) for the year ended 31 March 2018

(Currency: Indian Rupees)

18 Revenue from operations

Particulars	31 March 2018	31 March 2017
Interest	1,84,63,29,348	1,19,01,73,883
Other Operating Revenue	13,64,12,006	9,89,98,238
Total	1,98,27,41,354	1,28,91,72,121

Note:

Particulars	31 March 2018	31 March 2017
Interest income comprises (net of reversals) :		
Interest on Finance Lease	44,51,62,637	45,99,16,815
Interest on Loan against Hypothecation	64,29,49,600	49,43,98,080
Interest on Loan against Property	75,82,17,111	23,58,58,988
Total	1,84,63,29,348	1,19,01,73,883
Other Operating Revenue comprises:		
Origination Fees	1,71,34,885	28,32,956
Additional Finance Charges Hypothecation	1,28,78,356	1,21,10,085
Incentives from Dealers	51,09,567	65,13,263
Penal Interest	33,581	1,33,100
Termination / Rescheduling charges - Hypothecation	60,33,419	15,76,101
Operating leases on vehicles	4,41,52,333	4,87,86,966
Profit on foreclosure of finance lease	2,30,29,762	1,73,03,994
Login fee	33,03,102	6,18,281
Recovery in closed cases	88,85,722	32,54,500
Foreclosure charge	1,58,51,278	58,68,992
Total	13,64,12,005	9,89,98,238

19 Other Income

Particulars	31 March 2018	31 March 2017
Interest Income	42,38,040	16,62,961
Profit on sale of fixed assets	2,15,405	-
Sundry balance written back	75,89,004	1,25,63,787
Bad debts provision written back	1,00,000	16,00,000
Miscellaneous Income	1,61,71,185	38,08,172
Total	2,83,13,634	1,96,34,920

20 Employee benefit expense

Particulars	31 March 2018	31 March 2017
Salaries and allowances	25,58,79,254	18,09,38,214
Contribution to provident, superannuation and gratuity fund	1,53,58,085	1,69,76,406
Staff welfare expenditure	76,81,050	56,11,401
Total	27,89,18,389	20,35,26,021



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued) for the year ended 31 March 2018

(Currency: Indian Rupees)

21 Finance costs

Particulars	31 March 2018	31 March 2017
Interest expense	91,18,65,495	52,18,73,539
Other borrowing costs	1,94,59,030	1,22,88,132
Total	93,13,24,525	53,41,61,671

Note:

Particulars	31 March 2018	31 March 2017
Other finance costs comprises:		
Bank charges	7,07,840	12,71,385
Interest on sales tax	8,15,033	2,927
Bank guarantee & commission	62,08,202	41,70,089
Debenture issue expenses	68,01,183	22,74,305
Commitment Charges	25,00,000	23,37,596
Loan processing fees	24,26,772	22,31,830
Total	1,94,59,030	1,22,88,132

22 Other expenses

Particulars	31 March 2018	31 March 2017
Contract labour	53,96,841	32,96,025
Rent	2,84,25,784	3,07,54,559
Electricity	46,23,168	38,26,026
Travelling and conveyance	1,95,61,128	1,26,94,661
Communication expenses	41,07,392	50,55,134
Professional and legal fees	2,72,32,598	2,13,23,127
Vehicle running expenses	27,43,808	16,11,840
Repairs and maintenance		
Machinery	69,81,451	97,47,439
Insurance premium	3,23,39,924	2,73,80,029
Rates & taxes	2,40,15,969	1,13,50,546
Directors' fees	12,37,250	8,45,550
Brokerage & commission	3,34,10,308	25,25,813
Printing and stationery	27,35,384	16,70,908
Software maintenance expenses	55,43,826	59,55,111
<u>Provision for non-performing assets:</u>		
Provision for non-performing assets	2,95,14,804	78,08,562
Provision for standard assets	3,70,94,073	1,78,42,771
Provision for contingencies	(1,90,26,778)	96,33,467
Loss on Foreclosure of commercial vehicle loans	2,53,70,633	63,98,775
Bad Debts	-	97,06,065
Sundry balances written off	19,57,286	16,81,633
Management Fees	2,59,23,576	2,60,20,668
<u>Payment to the auditor:</u>		
For Statutory Audit	47,73,365	33,86,936
Other Matters		
For Certification Work	5,33,096	5,67,905
Corporate Social Responsibility Expenditure	55,20,705	44,38,484
Miscellaneous expenses	2,51,97,521	1,82,80,820
Total	33,52,13,112	24,38,02,854

Note:

Corporate Social Responsibility Expenditure

- Gross amount required to be spent by Company on CSR is ₹ 55,20,705.
- Amount spent during the year on:

Particulars	Amount Spent	Amount to be Spent	Total
1. Construction/acquisition of any asset	-	-	-
2. On purposes other than (i) above	55,20,705	-	55,20,705
Total	55,20,705	-	55,20,705



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees)

Note:- 23

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

Claims against the Company not acknowledged as debts

Particulars	31 March 2018	31 March 2017
Income tax	2,96,93,646	2,96,93,646
Sales tax	6,29,34,831	5,56,66,410
Litigation pending against the Company	43,70,000	-
Total	9,69,98,477	8,53,60,056

The Company believes it is most likely to succeed in the above cases and hence no provision is considered necessary.

23.2) Changes in provision :

Particulars	Opening Balance	Provision during the year	Reversal during the year	Closing balance
Provision for non-performing assets	4,49,94,289	5,09,17,159	(46,11,901)	9,12,99,547
Contingencies against standard assets	3,99,38,230	3,70,94,074	-	7,70,32,304
Provision for contingencies	1,91,44,162	-	(1,90,26,778)	1,17,384
As on 31 March 2018	10,40,76,681	8,80,11,233	(2,36,38,679)	16,84,49,235
As on 31 March 2017	6,38,28,303	5,42,08,376	(1,39,59,999)	10,40,76,680

Notes:

- Provision for contingencies on Securitised Assets: The Company securitises loan portfolio, without recourse but with stop loss to the extent of cash collateral provided. Provision is made for over dues in respect of securitised loans as per the policy laid down and approved by the Board.

23.3) Expenditure in foreign currency on accrual basis:

(i) Value of expenses

Particulars	31 March 2018	31 March 2017
Bank guarantee fees & Charges	62,38,200	41,76,149
Professional Fees	1,04,06,173	2,26,320
Interest on ECB	7,14,12,851	-
Reimbursement of salary	41,91,182	33,40,281
Total	9,22,48,406	77,42,750

23.4) Segment Reporting

In the opinion of the management, the Company has 'Lending' as the only business segment. 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. Accordingly, no disclosure are made under Accounting Standard 17, Segment reporting.

23.5) Finance Lease

The Company has given vehicles on finance lease. These leases have a primary period, which is fixed and cannot be terminated without consent of both the parties. There are no exceptional / restrictive covenants in the lease agreements.

Finance lease entered into after April 2001, is classified as Loans and Advances as per the Accounting Standard -19 on lease issued by the Institute of Chartered Accountants of India. 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:



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued) for the year ended 31 March 2018

(Currency: Indian Rupees)

Note:- 23 (Continued)

23.5) Finance Lease (Continued)

Particulars	31 March 2018	31 March 2017
Minimum lease payment	3,64,80,54,434	4,22,57,99,887
Unearned finance income	66,44,15,708	79,08,94,452
Unearned maintenance and insurance income	1,10,90,374	1,89,94,042
Present value of minimum lease payments	2,97,25,48,352	3,41,59,11,393

Gross investment in lease and present value of minimum lease payments for each of the following periods are as follows:

Particulars	As on	Gross investment in lease	Net present value of MLP
Less than one year	31 March 2018	1,46,60,24,650	1,11,77,43,837
	31 March 2017	1,65,23,01,827	1,24,12,08,031
One to five years	31 March 2018	2,18,70,95,033	1,85,98,58,775
	31 March 2017	2,57,75,40,666	2,17,87,34,958
More than five years	31 March 2018	-	-
	31 March 2017	-	-

All initial direct costs are recognised as expenses in the Statement of profit and loss account at the inception of the lease.

Accumulated provision for uncollectible minimum lease payments receivable is ₹ 39,22,632 (P.Y. ₹ 38,69,987).

23.6) Vehicles given on operating lease

The Company gives vehicles under operating lease. These leases have an average primary period of 2 to 4 years which is fixed and cannot be terminated without the consent of both the parties.

Particulars	31 March 2018	31 March 2017
Gross carrying amount	19,37,84,803	25,52,91,937
Accumulated depreciation and impairment at the Balance sheet date	3,00,56,970	3,32,98,986
Net carrying amount	16,37,27,834	22,19,92,952
Depreciation recognised in the statement of profit and loss for the year	3,02,52,664	3,08,47,855

Future minimum lease payments under non cancellable operating lease are as follows

Particulars	31 March 2018	31 March 2017
Less than one year	5,33,55,023	6,97,29,397
One to five years	12,86,06,456	18,80,33,221

23.7) Earnings per share

In accordance with the Accounting Standard on "Earnings per share" (AS 20), earnings per share (basic and diluted) have been computed by dividing the profit after tax by weighted average number of shares for the respective periods as under:

Particulars	31 March 2018	31 March 2017
Net profit after tax	25,87,56,659	19,79,97,645
Net profit attributable to equity shareholders	25,87,56,659	19,79,97,645
Weighted average number of equity shares (of ₹ 10 each) for basic EPS	9,22,47,376	8,89,35,901
Basic and Diluted Earnings per share	2.81	2.23



ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees)

Note:- 23 (Continued)

23.8) Provision for taxation / deferred taxation

(a) The major components of Deferred Tax Assets and liabilities arising on account of timing differences are:

Particulars	31 March 2018	31 March 2017
A Lease rentals and tax depreciation	68,12,17,539	60,07,78,400
B Provision for Non-Performing Assets	4,11,02,222	2,82,64,700
C Provision for Leave Encashment & Gratuity	32,76,978	50,92,300
D Maintinace Linked Reserve (Refer Note No 2.4 (a) (ii))	38,38,200	65,73,200
Net deferred tax asset	72,94,34,939	64,07,08,600

Deferred Tax Asset credited to the profit & loss account is ₹ 8,87,26,418 (P.Y. ₹ 7,92,14,521).

23.9) Employee benefits

Defined contribution plans

The company has paid ₹ 1,14,11,427 (P.Y. ₹ 80,59,118) towards provident fund and superannuation which is recognised as an expenses in the contribution to provident and other funds (Refer Note No.20 in the statement of profit and loss)

Defined benefit plans

Commitments are actuarially determined at year-end. Disclosure as required under Accounting standard -15 (Revised) on "Employee benefits" for gratuity is as under.

Summary of membership data

Particulars	31 March 2018	31 March 2017
Average age	36.12 years	36.49 years
Average past service	3.41 years	3.72 years

Assumptions

Particulars	31 March 2018	31 March 2017
Mortality	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount rate	8.06%	7.38%
Rate of increase in compensation	7.00%	7.00%
Rate of return (expected) on plan assets	8.06%	7.38%
Attrition rate		
For services 4 years and below	5.73%	5.73%
For services 5 years and above	2.00%	2.00%
Retirement age	58 years	58 years

a) Discount Rate

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

b) Salary escalation rate

The estimates of the future salary increases considered taken into account the inflation, seniority, promotion and other relevant factors.



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees)

Note:- 23 (Continued)

23.9) Employee benefits (Continued)

c) Expected return on plan assets

This is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

Experience adjustments are given below:

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Defined benefit obligation	2,43,02,421	2,01,10,863	1,08,02,101	78,70,487	52,15,958
Fair value	2,71,68,944	1,79,29,495	1,57,85,644	1,23,85,734	1,35,17,447
Surplus/(Deficit)	28,66,523	(21,81,368)	49,83,543	45,15,247	83,01,489
Experience adjustment on plan liabilities	20,24,062	24,17,084	9,00,976	30,04,532	(16,89,074)
Experience adjustment on plan assets	(1,96,187)	(42,738)	2,25,843	(1,79,465)	(39,735)

Changes in the present value of obligations

Particulars	31 March 2018	31 March 2017
Present value of obligation at beginning of the year	2,01,10,863	1,08,02,101
Interest cost	14,84,182	8,67,409
Current service cost	32,48,113	10,63,326
Benefit paid from the fund	(8,82,110)	(8,33,375)
Actuarial gain on obligations	3,41,373	82,11,402
Present value of obligation at end of the year	2,43,02,421	2,01,10,863

Changes in fair value of plan assets

Particulars	31 March 2018	31 March 2017
Fair value of plan assets at beginning of the year	1,79,29,495	1,57,85,644
Expected return on plan assets	13,23,197	12,67,587
Contributions paid	89,94,549	15,27,377
Transfer From other Company	-	2,25,000
Benefit paid from the fund	(8,82,110)	(8,33,375)
Actuarial gain on plan asset	(1,96,187)	(42,738)
Fair value of plan assets at the end of the year	2,71,68,944	1,79,29,495

Actuarial (gain) / loss recognised

Particulars	31 March 2018	31 March 2018
Actuarial (gain) / loss for the year (obligations)	3,41,373	82,11,402
Actuarial (gain) / loss for the year (plan assets)	1,96,187	42,738
Total (gain) / loss for the year	5,37,560	82,54,140
Actuarial (gain) / loss recognised for the year	5,37,560	82,54,140

Amounts to be recognised in the Balance sheet

Particulars	31 March 2018	31 March 2017
Present value of obligations at the end of the year	(2,43,02,421)	(2,01,10,863)
Fair value of plan asset at the end of the year	2,71,68,944	1,79,29,495
Net asset (liability)/asset recognised in the Balance sheet	28,66,523	(21,81,368)



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees)

Note:- 23 (Continued)

23.9) Employee benefits (Continued)

Expense recognised in Statement of profit and loss

Particulars	31 March 2018	31 March 2017
Current service cost	32,48,113	10,63,326
Interest cost	14,84,182	8,67,409
Expected return on plan assets	(13,23,197)	(12,67,587)
Net actuarial loss recognised for the year	5,37,560	82,54,140
Expenses recognised in the statement of profit and loss	39,46,658	89,17,288

Movements in the liability recognised in Balance Sheet

Particulars	31 March 2018	31 March 2017
Opening net liability	21,81,368	(49,83,543)
Expenses as above	39,46,658	89,17,288
Contribution paid	(89,94,549)	(15,27,377)
Transfer from other Company	-	(2,25,000)
Closing net liability/(assets)	(28,66,523)	21,81,368

The Company's gratuity fund is managed by its insurer, Life Insurance Corporation of India. The plan assets under the fund are invested in approved securities.

23.10) Related parties

(A) Name of related parties by whom control is exercised

ORIX Corporation, Japan -Ultimate holding Company
ORIX Auto Infrastructure Services Limited - Holding company

(B) Key management personnel

Sandeep Gambhir - Managing Director
Akihiro Azuma - Whole Time Director
Vivek Wadhwa - CFO
Shuchi Singhvi - Company Secretary (upto 24 November 2017)
Meeta Sanghvi - Company Secretary (from 21 February 2018)

Details of related party transaction during the year are given below:

Particulars	Holding company	Ultimate Holding Company	Key Management Personnel
Remuneration to Key Management Personnel			
Sandeep Gambhir	-	-	-
	(-)	(-)	(-)
Taro Oyama	-	-	-
	(-)	(-)	(4,32,038)
Akihiro Azuma	-	-	1,59,63,788
	-	-	(1,05,59,849)
Vivek Wadhwa	-	-	-
	(-)	(-)	(-)
Meeta Sanghvi	-	-	2,62,329
	(-)	(-)	(-)
Shuchi Singhvi	-	-	17,64,705
	(-)	(-)	(15,58,419)

Figures in brackets relate to previous year.



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued) for the year ended 31 March 2018

(Currency: Indian Rupees)

Note:- 23 (Continued)

23.10) Related parties (Continued)

Particulars	Holding company	Ultimate Holding Company	Key Management Personnel
Management fees			
ORIX Auto Infrastructure Services Limited	2,58,91,212	-	-
	(2,58,91,212)	(-)	(-)
Interest Expenses			
ORIX Auto Infrastructure Services Limited	20,23,466	-	-
	(-)	(-)	(-)
Bank Guarantee fees & bank charges			
ORIX Corporation, Japan	-	62,38,200	-
	(-)	(41,70,089)	(-)
Reimbursement of Salary			
ORIX Corporation, Japan	-	41,91,182	-
	(-)	(33,40,281)	(-)
Rent Expense			
ORIX Auto Infrastructure Services Limited	1,34,16,540	-	-
	(1,34,16,540)	(-)	(-)
Equity contribution received			
ORIX Auto Infrastructure Services Limited	12,00,00,000	-	-
	(-)	(-)	(-)
Securities Premium received			
ORIX Auto Infrastructure Services Limited	78,00,00,000	-	-
	(-)	(-)	(-)
Purchase of Assets			
ORIX Auto Infrastructure Services Limited	-	-	-
	(37,89,500)	(-)	(-)
Finance lease assets			
ORIX Auto Infrastructure Services Limited	1,31,16,954	-	-
	(-)	(-)	(-)
Interest Income			
ORIX Auto Infrastructure Services Limited	-	-	-
	(10,80,316)	(-)	(-)
Interest on Finance Lease			
ORIX Auto Infrastructure Services Limited	3,35,815	-	-
	(-)	(-)	(-)
Cost reimbursement paid to			
ORIX Auto Infrastructure Services Limited	36,35,556	-	-
	(72,90,983)	(-)	(-)

Figures in brackets relate to previous year.

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

Particulars	Holding company
Inter company current account balance	
Receivable from ORIX Auto Infrastructure Services Limited	8,57,98,786
	(1,88,62,619)
Payable to ORIX Auto Infrastructure Services Limited	1,16,70,040
	(40,26,382)

Figures in brackets relate to previous year.



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees)

Note:- 23 (Continued)

23.11) Details of dues to Micro and Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management on registration with specified authority under MSMED, principal amount, interest accrued, remaining unpaid principal and interest and interest paid during the year to such enterprise is ₹ NIL (P.Y ₹ Nil).

23.12) Specified Bank Notes (SBN)

Disclosure on Specified Bank Notes as per the Ministry of Corporate Affairs (Ministry) vide its notifications dated 30 March 2017 has amended Schedule III to the Companies Act 2013 (the 'Act') (for previous year):

Particulars	SBN's	Other denomination notes	Total
Closing cash in hand as on 08.11 2016	2,61,500	1,98,283	4,59,783
(+) Permitted receipts	2,77,57,000	51,69,393	3,29,26,393
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	2,80,18,500	50,35,143	3,30,53,643
Closing cash in hand as on 30.12 2016	-	3,32,533	3,32,533

23.13) Previous year's figures

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

Particulars	Regrouped to	Regrouped from	31 March 2017
Amortisation of Processing Fee	Other long term liabilities	Other current liabilities	2,88,22,645
Amortisation of Brokerage	Long-term loans and advances	Short-term loans and advances	3,81,84,024
Login fee, Recovery in closed cases, Foreclosure charge	Revenue from operations	Other Income - Miscellaneous Income	49,00,082
Sundry Deposits	Short-term loans and advances	Long-term loans and advances	1,02,75,338
Provision for non performing assets	Long term provisions	Short-term provisions	4,49,94,289
Contingent provision against standard assets	Long term provisions	Short-term provisions	2,87,32,662



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees)

Note:- 24

24.1) Capital :

Particulars	31 March 2018	31 March 2017
i) CRAR (%)	20.87%	27.07%
ii) CRAR - Tier I Capital (%)	20.48%	26.69%
iii) CRAR - Tier II Capital (%)	0.39%	0.38%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

24.2) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities :

Particulars	Up to 30/31 Days	Over 1 Month Upto 2 Month	Over 2 Month Upto 3 Month	Over 3 Month Upto 6 Month	Over 6 Month Upto 1 Year	Over 1 Year Upto 3 Year	Over 3 Year Upto 5 Year	Over 5 Year	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	55,42,34,293	33,51,35,270	33,56,85,013	99,27,03,844	1,84,48,20,961	5,27,82,44,747	1,93,38,66,757	7,55,22,11,186	18,82,69,02,071
Investments	-	-	-	-	-	-	-	-	-
Borrowings	2,53,25,76,957	23,46,65,917	10,54,99,250	57,95,92,988	1,15,91,85,977	8,02,88,69,027	1,53,12,50,002	-	14,17,16,40,118
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

24.3) Exposure to Real Estate Sector :

Category	31 March 2018	31 March 2017
Direct Exposure		
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	16,53,46,668	15,96,35,574
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures - a. Residential b. Commercial Real Estate	-	-
Total	16,53,46,668	15,96,35,574

24.4) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC :

The Company has not exceeded the Prudential Exposure Limits for any Single/ Group Borrower during the year.

24.5) Ratings assigned by credit rating agencies and migration of ratings during the year :

The Company has received revised rating on 27 November 2017 from FITCH as follows :

Particulars	Current Rating	Previous Rating
Long Term	IND AAA	IND AAA
Short Term	IND A1+	IND A1+



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MBS

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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees)

Note:- 24 (Continued)

24.6) Provisions and Contingencies :

To facilitate easy reading of the financial statements and to make the information on all provisions and contingencies available at one place, NBFCs are required to disclose in the Notes to financial statements the following information:

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	31 March 2018	31 March 2017
Provisions for depreciation on Investment	-	-
Provision towards NPA	2,95,14,804	78,08,562
Provision made towards Income tax	16,22,73,371	8,91,06,486
Other Provision and Contingencies (ref note no. 23 2)	(1,90,26,778)	96,33,467
Provision for Standard Assets	3,70,94,073	1,78,42,771

24.7) Concentration Advances :

Particulars	31 March 2018	31 March 2017
Total Advances to twenty largest borrowers	2,00,87,29,958	2,17,92,71,031
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	10%	19%

24.8) Concentration of Exposures :

Particulars	31 March 2018	31 March 2017
Total exposure to twenty largest borrowers / customers	2,00,87,29,958	2,17,92,71,031
Percentage of exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	10%	19%

24.9) Concentration of NPAs :

Particulars	31 March 2018	31 March 2017
Total exposure to top four NPA accounts	8,50,60,622	3,69,55,279

24.10) Sector-wise NPAs :

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		31 March 2018	31 March 2017
1	Agriculture & allied activities	-	-
2	MSME	1.27%	0.58%
3	Corporate borrowers	0.96%	0.67%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	1.69%	1.42%
7	Other personal loans	-	-



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued) for the year ended 31 March 2018

(Currency: Indian Rupees)

Note:- 24 (Continued)

24.11) Movement of NPAs :

Particulars	31 March 2018	31 March 2017
(i) Net NPAs to Net Advances (%)	0.88%	0.52%
(ii) Movement of NPAs (Gross)		
a) Opening balance	10,26,21,570	6,31,89,707
b) Additions during the year	18,04,81,970	5,97,99,451
c) Reductions during the year	(2,28,15,292)	(2,03,67,588)
d) Closing balance	26,02,88,248	10,26,21,570
(iii) Movement of Net NPAs		
a) Opening balance	5,76,27,282	3,09,67,559
b) Additions during the year	12,95,64,808	4,24,60,623
c) Reductions during the year	(1,82,03,391)	(1,58,00,900)
d) Closing balance	16,89,88,699	5,76,27,282
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	4,49,94,288	3,22,22,148
b) Provisions made during the year	5,09,17,162	1,73,38,828
c) Write-off / write-back of excess provisions	(46,11,901)	(45,66,688)
d) Closing balance	9,12,99,549	4,49,94,288

24.12) Disclosure of Customers Complaints :

Particulars	31 March 2018	31 March 2017
a No. of complaints pending at the beginning of the year	-	-
b No. of complaints received during the year	21	4
c No. of complaints redressed during the year	20	4
d No. of complaints pending at the end of the year	1	-

24.13) Details of Off Balance Sheet Assets :

The Company has provided bank guarantees amounting to ₹ 71,59,895 (P.Y. ₹ 61,57,188) to various VAT authorities.

24.14) Encumbrances of fixed deposits held by Company :

The Company has lien marked fixed deposits with Bank amounting to ₹ 73,23,850 for obtaining above guarantees.

24.15) Registration obtained from other financial sector regulators

The Company is not registered with any other financial sector regulator.

24.16) Penalties imposed by RBI and other regulators

RBI and other regulator has not imposed any penalties on the Company during current and previous year.

24.17) Financing of parent company product

The Company has not financed any parent company product during current and previous year.

24.18) Investments

The Company has not made any investments during current and previous year.

24.19) Derivative

The Company has not entered into any derivative transaction during current and previous year.



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ORIX Leasing & Financial Services India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian Rupees)

Note:- 24 (Continued)

24.20) Securitisation

The Company has not entered into any securitisation or assignment transaction during current and previous year.

24.21) Purchasing or selling of Non Performing assets

The Company has not purchased or sold any non performing financial asset during current and previous year.

24.22) Exposure to capital market

The Company does not have any exposure to capital market during current and previous year.

24.23) Overseas assets

The Company does not have any overseas assets during current and previous year.

24.24) Off Balance Sheet SPVs

The Company does not have any off Balance Sheet SPVs during current and previous year.

24.25) Details of Fraud

During the year, the Company has reported frauds ₹ Nil (Previous year : ₹ Nil) based on management reporting to risk committee and to the RBI through prescribed returns.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's registration No. 101248W/W-100022



Milind Ranade

Partner

Membership No: 100564

For and on behalf of the Board of Directors
ORIX Leasing & Financial Services India Limited

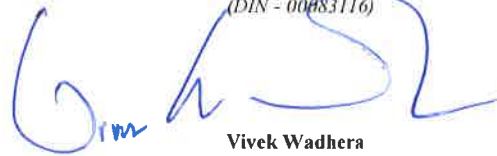
CIN : U74900MH2006PLC163937



Sandeep Gambhir

Managing Director

(DIN - 00083116)



Vivek Wadhwa

CFO



Kiyokazu Ishinabe

Director

(DIN - 07763966)



Meeta Sanghvi

Company Secretary

Mumbai

24 May 2018

ORIX Leasing & Financial Services India Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company
(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding)
Companies Prudential Norms (Reserve Bank) Directions, 2007)

Particulars		Amount outstanding	Amount overdue
Liabilities side :			
(1)	Loans and advances availed by the nonbanking financial company inclusive of financial interest accrued thereon but not paid :		
	(a) Debentures : Secured	52,000	
	: Unsecured (other than falling within the meaning of public deposits*)		
	(b) Deferred Credits		
	(c) Term Loans	49,285	
	(d) Inter-corporate loans and borrowing	741	
	(e) Commercial Paper		
	(f) Other Loans (specify nature) Cash Credit & Subordinate Debt pursuant to scheme of reorgan		
	-Cash Credit & short term loans	32,342	
	-Subordinate Debt		
	* Please see note 1 below		

Assets side :		Amount outstanding
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (3) below] :	
	(a) Secured	
	(b) Unsecured	-
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease (Net Stock of Finance Lease + Sundry Debtors) (Net of Provision)	33,288
	(b) Operating lease (incl Sundry Debtors)	
	(ii) Stock on hire including hire charges under sundry debtors :	
	(a) Assets on hire	
	(b) Repossessed Assets	
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	
	(b) Loans other than (a) above including debtors (Net of Provision)	1,58,905



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ORIX Leasing & Financial Services India Limited
(Formerly OAIS Auto Financial Services Limited)

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

(4)	Break-up of Investments :	
	Current Investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	
	(b) Preference	
	(ii) Debentures and Bonds	
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	
	2. Unquoted :	
	(i) Shares : (a) Equity	
	(b) Preference	
	(ii) Debentures and Bonds	
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	
	Long Term investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	
	(b) Preference	
	(ii) Debentures and Bonds	
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	
	2. Unquoted :	
	(i) Shares : (a) Equity	
	(b) Preference	
	(ii) Debentures and Bonds	
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above:	
	Please see Note 2 below	
	Category	
	1. Related Parties **	
	(a) Subsidiaries	
	(b) Companies in the same group	
	(c) Other related parties	
	2. Other than related parties	1,92,193
	Total	1,92,193



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ORIX Leasing & Financial Services India Limited
(Formerly OAS Auto Financial Services Limited)

Notes to the financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian Rupees in Lakhs)

(6) Investor group-wise classification of all investments (current and long term)		
in shares and securities (both quoted and unquoted):		
Please see note 3 below		
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	-	-
Total	-	-

** As per Accounting Standard of ICAI (Please see note 3)

(7) Other information		
Particulars	Amount	
(i) Gross Non-Performing Assets		
(a) Related parties		
(b) Other than related parties	2,603	
(ii) Net Non-Performing Assets		
(a) Related parties		
(b) Other than related parties	1690	
(iii) Assets acquired in satisfaction of debt		

Note :

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1989.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- All Accounting Standards and Guidance Notes by ICAI are applicable including for valuation of investments and others assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments should be disclosed of whether they are classified as long term or current in (4) above.

ORIX Leasing & Financial Services India Limited




Sandeep Gambhir
Managing Director
(DIN - 00083116)
Mumbai
24 May 2018

Vivek Wadhwa
CFO



Kiyokazu Ishinabe
Director
(DIN - 07763966)