

ORIX Leasing & Financial Services India Limited

Regd Office: Plot No. 94, Marol Co - Operative Industrial Estate, Andheri Kurla Road, Andheri East, Mumbai 400059

CIN:U74900MH2006PLC163937 | www.orixindia.com

Tel: +91(22) 6707 0100 | Fax: +91 22 2852 85 49 | Email: info@orixindia.com

Financial results for year the ended 31 March 2020

(₹ in Lakh)

	Particulars	Half Year ended		Year ended	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
		Audited	Audited	Audited	Audited
	Revenue from operations				
	(i) Interest income	15,689	15,814	31,628	28,857
	(ii) Fees and commission income	212	288	424	450
	(iii) Net gain on fair value changes	42	47	72	71
I	Total Revenue from operations	15,943	16,149	32,124	29,378
II	Other income	1,506	1,705	2,680	2,659
III	Total income (I+II)	17,449	17,854	34,804	32,037
	Expenses				
	(i) Finance cost	8,809	9,118	17,972	16,101
	(ii) Impairment on financial instruments	1,593	854	1,807	1,514
	(iii) Employee benefit expense	1,344	1,935	3,401	3,926
	(iv) Depreciation, amortisation and impairment	361	334	927	811
	(v) Other expenses	1,810	1,743	3,111	3,007
VI	Total expenses	13,917	13,984	27,218	25,359
V	Profit before tax (III-IV)	3,532	3,870	7,586	6,678
	Tax Expenses :				
	(i) Current tax	1,179	557	2,321	1,632
	Tax expenses relating to prior years	18	63	18	63
	(ii) Deferred tax	-460	(678)	1,608	279
VI	Total tax expenses	737	-58	3,947	1,974
VII	Profit after tax (IV-V)	2,795	3,928	3,639	4,704
	Other comprehensive income				
	(i) Items that will not be reclassified to profit or loss				
	- Remeasurements of post-employment benefit obligation	-38	10	25	52
	(ii) Income tax related to items that will not be reclassified to profit or loss	9	-4	-6	-18
VIII	Other comprehensive income	-28	6	18	34
IX	Total comprehensive income for the period (VII-VIII)	2,823	3,922	3,621	4,670
X	Earnings per equity share*				
	Basic (Rupees)	2.77	3.89	3.59	4.63
	Diluted (Rupees)	2.77	3.89	3.59	4.63

*Earning per share for the interim period is not annualised

By the order of the Board
For ORIX Leasing & Financial Services India Limited

**SANDEEP
GAMBHIR**

Digitally signed by SANDEEP GAMBHIR
DN: cn=SANDEEP GAMBHIR, o=ORIX Leasing & Financial Services India Limited, email=sandeep.gambhir@orixindia.com, c=IN

Sandeep Gambhir
Managing Director
(DIN - 00083116)

Date: 07 July 2020
Place : Mumbai

ORIX Leasing & Financial Services India Limited

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Balance Sheet for the year ended 31 March 2020

(₹ in Lakh)

	Particular	As at 31 March 2020	As at 31 March 2019
		Audited	Audited
	ASSETS		
1	Financial assets		
	a) Cash and cash equivalents	3,766	1,374
	b) Bank balances other than (a) above	88	74
	c) Loans	2,44,683	2,53,361
	d) Trade receivable	661	280
	e) Other financial assets	3,125	2,488
	Total Financial assets	2,52,323	2,57,577
2	Non-financial assets		
	a) Inventories	20	54
	b) Current tax assets (net)	1,438	997
	c) Deferred tax assets (net)	5,454	7,055
	d) Property, plant and equipment	2,464	2,939
	e) Right-of-use assets	308	423
	f) Other intangible assets	66	111
	g) Other non-financial assets	4,940	5,854
	Total Non-financial assets	14,690	17,433
	TOTAL ASSETS	2,67,013	2,75,010
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	Financial liabilities		
	a) Payables		
	(i) Trade payables		
	- Total outstanding dues of micro and small enterprises	11	15
	- Total outstanding dues of creditors other than micro and small enterprises	2,095	2,790
	b) Debt securities	20,000	52,000
	c) Borrowings (Other than debt securities)	1,83,344	1,61,722
	d) Lease liabilities	348	452
	e) Deposits	1,249	1,395
	f) Other financial liabilities	2,127	2,474
	Total Financial liabilities	2,09,174	2,20,848
2	Non-Financial liabilities		
	a) Current tax liabilities (net)	116	36
	b) Provision for Employees' Retirement Benefits	142	184
	c) Provisions	16	9
	d) Other non-financial liabilities	470	460
	Total Non-Financial liabilities	744	689
3	Equity		
	a) Equity share capital	10,094	10,094
	b) Other equity	47,001	43,379
		57,095	53,473
	TOTAL LIABILITIES AND EQUITY	2,67,013	2,75,010

By the order of the Board
For ORIX Leasing & Financial Services India Limited

**SANDEEP
GAMBHIR**

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Date: 2020.07.07 21:59:21 +0530'

Sandeep Gambhir
Managing Director
(DIN - 00083116)

Date: 07 July 2020
Place : Mumbai

ORIX Leasing & Financial Services India Limited

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Financial results for year the ended 31 March 2020

Notes:

- The Company is a Non-Banking Finance Company registered with the Reserve Bank of India.
- The financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind AS from 1 April 2019 with effective transition date of 1 April 2018 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. This transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the Reserve Bank of India ('the RBI') and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2018 and the corresponding adjustments pertaining to comparative previous period as presented in these financial results have been restated / reclassified in order to conform to current period presentation. These financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at 31 March 2020 based on the Press Release issued by the Ministry of Corporate Affairs ("MCA") on 18 January 2016. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.
- The financial results for year ended 31 March 2020 has been reviewed by Audit Committee and approved by Board of Directors at its meeting held on 07 July 2020.

4. Following are the disclosures as per Chapter V - Regulation 52 (4) of the Securities Exchange Board of India ('SEBI') (Listing Obligation and Disclosure Requirements) Regulations, 2015:

4.1 The Company had allotted Secured Redeemable Listed Non-Convertible Debentures (NCDs) and Masala Bonds as follows :

Date of issue	No of Securities	Price per Security (Rs. In Lakh)	Total amount (Rs. In Lakh)	Rate of Interest	Tenure	Previous due date for interest payment	Status	Next due date for interest payment
01-Aug-17	1,000	10	10,000	7.80%	36 months	01-Aug-19	Paid	03-Aug-20
21-Sep-17	1,000	10	10,000	7.70%	36 months	20-Sep-19	Paid	21-Sep-20
06-Nov-17	100	100	10,000	7.47%	48 months	06-Feb-20	Paid	06-May-20

4.2 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 1.1 times of NCD.

4.3 India Ratings & Research (Fitch group) have assigned 'IND AAA' rating for Company's Long Term borrowings including NCDs & Masala bond and 'IND A1+' rating for Company's Short term borrowings. All the rating are valid as on the date of Board meeting. There is no change in rating as compared to 31 March 2019.

4.4 Debt Equity Ratio at 31 March 2020 is 3.56 (4.00 at 31 March 2019)

4.5 The Capital Redemption Reserve and Debenture Redemption Reserve at 31 March 2020 are Nil (Nil at 31 March 2019)

4.6 Debt service coverage ratio and Interest service coverage ratio is not applicable

4.7 Net worth of the Company at 31 March 2020 is Rs.57,095 lakhs (Rs.53,473 lakhs at 31 March 2019)

4.8 Net profit after tax of the Company at 31 March 2020 is Rs.3,640 lakhs (Rs.4,704 lakhs at 31 March 2020)

4.9 Earnings per share for half year ended 31 March 2020 is 3.59 (4.63 for half year ended 31 March 2019)

5. Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to apply the concessional tax rate. Accordingly, the Company has recognised the provision for income tax and re-measured the net deferred tax assets at concessional rate for the year ended 31 March 2020. Further, the opening net deferred tax asset has been re-measured at lower rate with a one-time impact of Rs.2.013 lakhs recognised in the statement of profit and loss in the half year ended 30 September 2019.

6. As required by paragraph 32 of Ind AS 101, the profit reconciliation between the figures previously reported under previous GAAP and restated as per Ind AS is as under

(₹ in Lakh)	
Particulars	Year ended 31st March 2019
Profit after tax as reported under previous GAAP	4,369
Adjustments resulting in increase/(decrease) in profit after tax as reported under previous GAAP:	
(i) Interest income on non performing asset	310
(ii) Net gain on fair value changes on deposit	9
(iii) Gain on loan transferred transaction	706
(iv) Net Impairment allowances	531
(v) Finance cost and depreciation on Right of use assets	29
(vi) Actuarial gain & loss	(52)
(vii) Tax impact on above adjustments	181
Profit after tax as reported under Ind AS	4,705
Other Comprehensive Income / (loss) (net of tax)	34
Other Comprehensive Income / (after tax) as reported under Ind AS	4,671

(₹ in Lakh)		
Sr No.	Particulars	Total Equity as at 31st March 2019
	Net worth/ loss as per IGAAP	53,212
	Ind AS Adjustments :	
i	Net Impairment allowances	(841)
ii	Interest income on non performing asset	533
iii	EIR impact on Loans and Advances	9
iv	Fair value on Security Deposits	23
v	Interest and depreciation on Right of use Assets	(29)
vi	Gain on Loan transfer Transactions	706
vii	Deferred Tax on IND AS adjustments	(141)
	Net worth as per Ind AS	53,473

7. The COVID-19 pandemic and the long-drawn lock-down has resulted in a significant decrease in the economic activities globally as well as across our country. The extent of impact of COVID-19 on economic growth of the country is difficult to predict and will mainly depend on the future developments in containment of COVID-19 and the actions taken for resumption of operations, which is highly uncertain. The Reserve Bank of India as a part of its measures to support and boost the economy has vide its notifications titled "COVID-19 Regulatory Package" dated 27 March, 2020 and 17 April, 2020 directed all Banks, NBFCs and other financial institutions to grant moratorium of three months on the payment of all instalments and/or interest as applicable to all eligible borrowers.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Company has offered a moratorium on the payment of instalments falling due between March 1, 2020 and May 31, 2020 ("moratorium period") to eligible borrowers. In respect of accounts overdue but standard at 29 February 2020 where moratorium benefit has been granted, the staging of those accounts at 31 March 2020 is based on the days past due status as on 29 February 2020. Based on an assessment by the Company, this relaxation does not automatically trigger significant increase in credit risk. The Company continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The RBI vide its guidelines dated May 23, 2020 has permitted all Banks, NBFCs and other financial institutions to grant moratorium for an additional period of 3 months on payment of instalments falling due between June 1, 2020 and August 31, 2020. The Company has chosen to offer this to its customers.

Based on the moratorium plan rolled out by the Company and other information available up to the date of approval of these financial results/statements the Company assessed the impact on its assets, expected credit loss on its loan portfolio and liabilities including Asset Liability Management ("ALM") position.

Based on the detailed evaluation, the Company has:

- made adequate provision for credit losses on its loan portfolio against the potential impact of COVID-19. The aggregate provisions are adequate vis-à-vis the minimum regulatory provisions prescribed by the Reserve Bank of India, and
- stress tested its ALM position and the Company has a comfortable liquidity outlook across all maturity buckets and has adequate liquidity position maintained in form of high-quality liquid assets and undrawn committed lines of credit.

The final impact of the global health pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results/statements. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.

8. Disclosure by an entity identified as a Large Corporate

Initial Disclosure by an entity identified as a Large Corporate

Sr. No.	Particulars	Details
i	Outstanding borrowing of as company as on 31 March 2020	2,03,344
ii	Highest credit rating during the previous FY along with name of the credit rating company	Long Term Loans - "IND AAA" Short Term Loans - "IND A1+" Non-Convertible Debenture – "IND AAA" Credit Rating Agency - India Ratings & Research (Fitch)
iii	Name of the stock exchange in which the fine shall be paid, in case of short fall in the required borrowing under the framework	National Stock Exchange of India Limited

Annual Disclosure by an entity identified as a Large Corporate

Sr. No.	Particulars	Details
i	Incremental borrowing done in FY (a)	75,000
ii	Mandatory borrowing to be done through issuance of debt securities (b)= (25% of a)	18,750
iii	Actual borrowing done through debt securities FY (c)	-
iv	Shortfall in the mandatory borrowing through debt securities if any (d) = (b) - (c)	18,750
v	Reason for shortfall, if any, in mandatory borrowing through debt securities	Bond market has slowed down considerably after November 2018. The investors like Mutual Funds, Banks and others had slowed down their investment in Bonds even for the AAA rated companies. The company, as its funding policy, maintains a diversified funding profile. Our efforts to issue further bonds were severely restricted by lack of appetite for bonds in the market at the desired price. Further the overall borrowings of the company has remained the same during the year.

9. Half year figures are balancing figure between audited numbers at year end and reviewed number at half year end.

10. The previous financial year/ period figures have been regrouped / reclassified wherever necessary.

By the order of the Board
For ORIX Leasing & Financial Services India Limited

SANDEEP
GAMBHIR

Digitally signed by Sandeep Gambhir
DN: cn= Sandeep Gambhir, o=ORIX Leasing & Financial Services India Limited, email=sandeep.gambhir@orixlfi.com, c=IN

Sandeep Gambhir
Managing Director
(DIN - 00083116)

Date: 07 July 2020
Place : Mumbai

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
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Independent Auditors' Report

To The Board Of Directors Of ORIX Leasing & Financial Services India Limited

Report on the audit of the Annual Financial Results

Opinion

We have audited the accompanying annual financial results of ORIX Leasing & Financial Services India Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a. are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

Basis for Opinion

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

Emphasis of Matter

As described in Note 7 to the annual financial results, in respect of accounts overdue but standard as at 29 February 2020 where moratorium benefit has been granted, the staging of those accounts as at 31 March 2020 is based on the days past due status as at 29 February 2020 in accordance with the Reserve Bank of India COVID-19 Regulatory Package.

As described in Note 7 to the annual financial results, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Independent Auditors' Report (Continued)

ORIX Leasing & Financial Services India Limited

Management's and Board of Directors' Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Annual Financial Results

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

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

- Identify and assess the risks of material misstatement of the annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

Independent Auditors' Report (Continued)

ORIX Leasing & Financial Services India Limited

Auditor's Responsibilities for the Audit of the Annual Financial Results (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

The annual financial results include the results for the half year ended 31 March 2020 and the corresponding previous half year ended 31 March 2019 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures for the half year ended 30 September 2019 and 30 September 2018 respectively, which were subject to limited review by us.

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

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by AJIT
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Date: 2020.07.07
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Ajit Viswanath
Partner

Place: Mumbai
Date: 7 July 2020

Membership No. 067114
ICAI UDIN: 20067114AAAABC3683