

DIRECTORS' REPORT

The Shareholders ORIXLeasing & Financial Services India Limited

The Directors are pleased to present their report on the business and operations of your company along with the audited statements of accounts for the year ended March 31, 2015.

I. Financial Results:

Following is a summary of the 2014-15 financial statements:

(Rs. Mn)

Particulars	FY 2015	FY 2014
Gross Income	616.53	587.91
Operating Expenses and Interest	436.55	552.58
Gross Profit/ (Loss)	179.98	35.33
Depreciation	4.07	1.57
Provisions for NPA / Doubtful debts	-109.03	-91.05
Profit / (Loss) before Tax	284.94	124.81
Provision for Tax net of Adjustment	-87.03	-37.60
Profit / (Loss) after Tax	197.91	87.21

II. Dividend:

The Board did not propose any amount to be declared as dividend.

III. Reserves:

Rs. 39.58 mn is transferred to Special Reserve account as prescribed under section 45 IC of the RBI Act, 1934.

IV. Brief Description of the Company's working during the year / State of Company's affairs:

The Company currently provides a variety of financing options to its customers. For the last few years, the primary business of the Company has been the leasing of Passenger Cars and financing of Commercial Vehicles. During the year under review, the Company decided to expand its product offering and introduced a new product i.e. Loan Against Property, primarily focused on the SME sector. As of now the product is only offered in limited markets but over the next few months, the Company intends to increase the geographical reach of this offering to other Tier 1 and Tier 2 locations in the country.

Demand in auto space witnessed an encouraging trend this year. Though the overall percentage increase in Car Sales over the previous year was marginal, the renewed focus from the internal sales teams on the back of a strong portfolio performance helped the Company record a significant increase in its business as compared to the previous year. What also helped was the introduction of a lot of new vehicle models by the manufacturers as well as the growth in the Utility Vehicles segment, witnessing a good amount of interest from a various manufacturers.

On the Commercial Vehicle (CV) front, the business demonstrated a very significant turnaround over the previous year with sharp improvement in the portfolio quality and a sizeable increase in the new originations. Post the new government formation as well as some movement in the Infrastructure segment, things are looking better for the CV industry and there has been a positive movement on the sales across various categories i.e. the Medium and Heavy Commercial Vehicle (M & HCV) as well as the Light Commercial Vehicle (LCV). The Company expects the portfolio quality to remain stable in line with an improving market scenario and expects this business to be a healthy contributor to the overall profitability of the entity. Moreover, the management has created a special team with a dedicated focus on collection of old outstanding dues which were written off or provided. This has resulted into recovery of significant amount of dues from delinquent customers

V. Change of Name and Alteration of Memorandum of Association :

During the year under review, pursuant to Special Resolution passed on October 17, 2014, the members of the Company had approved an insertion of a new main object clause in the Memorandum of Association of the Company so as to enable the Company to do Secured SME Lending Business. Further, the name of the Company had changed from OAIS Auto Financial Services Limited to ORIX Leasing & Financial Services India Limited w.e.f November 19, 2014.

VI. Change in the nature of business, if any : None

VII. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report :

None

VIII. Details in respect of adequacy of internal financial controls with reference to the Financial Statements:

The Company being Unlisted Public Company need not require to provide details in respect of adequacy of internal financial control with reference to the Financial Statement. However, the Company has implemented several control measures, as stated below, which provides reasonable assurance to the management and stake holders in this regard.

- (1) Finance and Accounts functions have been segregated into 5 sub-functions i.e. Accounting, Operations, Treasury, Expense Processing Unit and Billing. While the Chief Financial Officer has over sight on these sub-functions, each of these sub-functions is independently run by the Unit Head who are made responsible for their areas. Duties and responsibilities of these sub-functions are compartmentalized and there is no direct influence of one sub-function over the other. Each of these sub-functions act as a Support Function to the businesses of the Company. The Standard Operating Procedures (SOP) of the sub-functions are covered / specifically laid done in the SOPs of the business.
- (2) The Company has independent Internal Audit Department which conducts internal audit of business operations and processes laid down as well as supporting functions such as Accounting, Operations, Legal, Insurance, Human Resources, Administration, etc. Upon completion of internal audit, the gaps in adherence in the laid down processes are identified and reported in the Internal Audit Reports which are placed before the Audit Committee of the Board, which in turn provides reasonable assurance to the management and stakeholders whether the processes laid down are working appropriately or not.
- (3) Statutory Auditors while conducting audit of the financial statement do rely on the Internal Audit Reports.

IX. Details of Subsidiary Company : Not Applicable

X. Deposits :

The Company being a 'Non Deposit Accepting / Holding Non-Banking Finance Company' as per regulation and license of the RBI, has not accepted any deposit from the public during the year under review and shall not accept any deposit from the public during the years ahead without obtaining prior approval of the RBI.

Further, the Company did not accept / renew any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and Section 73 to 76 of the Companies Act, 2013 (the Act) as well as the Companies (Acceptance of Deposits) Rules, 2014.

XI. Capital Adequacy Ratio:

The RBI requires every NBFC- ND-SI to maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off balance sheet items. The Net Worth of the Company has been enhanced and the Capital to Risk Assets Ratio (CRAR) of the Company as on 31st March 2015 is in compliance i.e. 54% with CRAR prescribed by the RBI.

XII. Auditors :

- (1) **Statutory Auditors:** M/s. B S R and Company, Chartered Accountants retire at the conclusion of the 9th Annual General Meeting (AGM). They have expressed their willingness to be re-appointed as Auditors of the Company in accordance with the provisions of Section 141 of the Act. The proposal of their re-appointment as Statutory Auditors of the Company for a term of 5 years, i.e. from the conclusion of the 9th AGM until the conclusion of 14th AGM of the Company to be held in 2020, is placed before the 9th AGM for the approval of the Shareholders.
- (2) **Secretarial Auditor:** M/s Aabid & Co., Practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the financial year 2014-2015, as required under Section 204 of the Act and the Rules thereunder. The secretarial audit report for FY 2014-2015 forms part of this Report and enclosed as Annexure-1.
- (3) **Significant and Material Orders:** There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- (4) **Extract of Annual Return:** In accordance with Section 134(a) of the Act, an extract of the Annual Return in the prescribed format is appended as Annexure-2 to this report.

XIII. Auditors' Report :

The observations made by the Auditors' in their report for the financial year ended March 31, 2015 are self-explanatory and therefore do not call for any further comments under section 143 of the Companies Act, 2013.

XIV. Share Capital:

- (1) **Authorized Share Capital:** The Authorised Share Capital of the Company is Rs. 900,000,000/- (Rupees Nine Hundred Million Only) divided into 90,000,000 Equity Shares of Rs. 10/- each.
- (2) **Issued, Subscribed and Paid up Share Capital:**
 - (a) **Issued Share Capital:** The Issued Capital of the Company is Rs. 863,571,420/- (Rupees Eight Hundred Sixty Three Million Five Hundred Seventy One Thousand Four Hundred Twenty only) divided into 86,357,142 equity shares of Rs. 10 each.
 - (b) **Subscribed and Paid Up Capital:** The Subscribed and Paid up Share Capital of the Company is Rs. 811,581,240/- (Rupees Eight Hundred Eleven Million Five Hundred Eighty One Thousand Two Hundred Forty Only) divided into 81,158,124 Equity Shares of Rs.10/- each.

- (3) Issue of equity shares with differential rights :None
- (4) Issue of sweat equity shares :None
- (5) Issue of employee stock options :None
- (6) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees : None

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

- (1) Conservation of Energy and Technology Absorption:

Considering the nature of the Company's business, the Directors have nothing to state as regards conservation of energy and technology absorption.

- (2) Foreign Exchange Earnings and Outgo:

There is no foreign exchange outgo during the financial year under review.

XVI. Changes in Directors and Key Managerial Person:

During the year under review, the following changes in the Board of Directors had occurred:

- (1) Mr. Hiroshi Nishio was appointed as Chairman of the Board in lieu of Mr. John Joseph Carter with effect from April 24, 2015.
- (2) Mr. Takehisa Kaneda was appointed as Additional Director of the Company on March 9, 2015.
- (3) Mr. Taro Oyama, Alternate Director to Mr. Hiroshi Nishio and Mr. Christopher Briggs, Alternate Director to Mr. John Brown vacated office as Alternate Directors on March 9, 2015 due to physical presence of Mr. Hiroshi Nishio and Mr. John Brown in the Board Meeting held on March 9, 2015.
- (4) Mr. Harukazu Yamaguchi was appointed as Additional Director of the Company on April 24, 2015.
- (5) Mr. Taro Oyama was appointed as Additional Director of the Company in the Board Meeting held on April 24, 2015.

- (6) Mr. Nagesh Dubey and Mr. Abhay Kakkar were appointed as Directors in the category of Independent Directors in terms of the provision of section 149 (4) of the Companies Act, 2013. These appointments of Independent Directors have been made for a period of 5 years with effect from March 9, 2015.

The Company has received necessary declaration from Mr. Nagesh Dubey and Mr. Abhay Kakkar under section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013.

- (7) Mr. Makoto Shioda has resigned as Director with effect from March 9, 2015.

The Board placed on record the sterling services rendered by Mr. Makoto Shioda during his tenure as Director of the Company.

- (8) Mr. John Brown resigned as Director with effect from April 13, 2015.

- (9) Mr. John Carter has been removed as Director of the Company in terms of provision of section 115 of the Companies Act, 2013 read with section 169 of the Act in the Extra-Ordinary General Meeting held on May 18, 2015.

During the year there has been no change in the Key Managerial Person

XVII. Re-appointment of Directors :

As per the provisions of the Companies Act, 2013, Mr. Hiroshi Nishio retires at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

XVIII. Number of Meetings of the Board of Directors :

The Board met five times during the financial year i.e. on May 15, 2014, July 22, 2014, October 17, 2014, February 12, 2015 and March 9, 2015. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013. Attendance of Directors during FY 2014-2015 is as under:

Sr. No.	Name of Director	No. of Board Meetings Attended	Last AGM Attended
(1)	John Joseph Carter	4	Yes
(2)	Mr. Hiroshi Nishio	1	-
(3)	Mr. Sandeep Gambhir	5	Yes
(4)	Mr. John Kentwell Brown	5	-

(5)	Mr. Makoto Shioda	5	Yes
(6)	Mr. Takehisa Kaneda	1	-
(7)	Taro Oyama (Alternate Director to Mr. Hiroshi Nishio)	1	-
(8)	Christopher Briggs (Alternate Director to Mr. John Kentwell Brown)	-	-
(9)	Mr. Nagesh Dubey	1	-
(10)	Mr. Abhay Kakkar	1	-

XIX. Committees of the Board:

Name of the Committee	Composition of the Committee	Powers of the Committee
Audit Committee	Mr. Takehisa Kaneda, Chairman; Mr. Nagesh Dubey; and Mr. Abhay Kakkar	<p>(1) Making recommendations to the Board for appointment of Statutory Auditors and Internal Auditors or In-sourcing of Internal Audit functions and Internal Audit Team;</p> <p>(2) Advising the Board on fixation of audit fees;</p> <p>(3) Holding discussions with Internal Auditors / Team and Statutory Auditors about the nature and scope of audit or reservations arising from audit and any matters which the Internal / Statutory Auditors or Internal Audit Team wish to discuss;</p> <p>(4) Periodically interacting with the Internal / Statutory Auditors and/or Internal Audit Team to ascertain quality and veracity of Company's accounts;</p> <p>(5) 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;</p>

		<p>(6) To review of half-yearly and annual financial statements before submission to the Board;</p> <p>(7) To review reporting practice of financial and accounting controls and provide effective supervision of financial reporting process;</p> <p>(8) To oversee of financial reporting process and disclosure of financial information to ensure that financial information report is sufficient and credible; and</p> <p>(9) To review with management the annual and semi-annual financial statements before submission to the Board focusing primarily on:</p> <ul style="list-style-type: none">(a) Any changes in accounting policies and practices;(b) Major accounting entries based on exercise of judgement by management;(c) Qualifications in draft audit report;(d) Significant adjustments arising out of audit;(e) Compliance with accounting standards; and(f) Compliance with legal requirements concerning financial statements(g) Any related party transactions i.e.; transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large;
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		<p>(10) To approve and ratify write offs amounting upto Rs. 1.3 mn for single client and report to the Board of Directors such write offs;</p> <p>(11) To recommend to Board for writing off amount exceeding Rs 1.3 mn for single client;</p> <p>(12) Scrutiny of inter-corporate loans and investments;</p> <p>(13) Valuation of undertakings or assets of the Company, wherever necessary;</p> <p>(14) Monitoring the end use of funds raised through public offers and related matters;</p> <p>(15) Approve subsequent modification of transactions with related parties;</p> <p>(16) Evaluation of internal financial control system and risk management system;</p> <p>(17) Review and monitor the auditor's independence and performance, and effectiveness of audit process.</p> <p>Note: <i>The Audit Committee met five (5) times during the year under review. The Internal Auditors as well as Statutory Auditors of the company are invited and remain present for the meetings of the Audit Committee.</i></p>
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<p>Nomination and Remuneration Committee w.e.f. March 9, 2015</p>	<p>Mr. Takehisa Kaneda, Chairman; Mr. Nagesh Dubey; Mr. Abhay Kakkar; and Mr. Taro Oyama</p>	<p>(1) Reviewing the current Board composition, its governance framework and determine future requirements and making recommendations to the Board for approval;</p> <p>(2) Examining the qualification, knowledge, skill sets, positive attributes and experience of each director and their effectiveness to the Board on a yearly basis;</p> <p>(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;</p> <p>(4) Identifying persons who are qualified to become Key Managerial Personnel and/or in the senior management team and recommendation to the Board for their appointment and/or removal;</p> <p>(5) Formulate the Policy and recommend to the Board of Directors relating to the remuneration for the Directors, Key Managerial Personnel and senior management team”</p> <p><i>Note: The Committee did not meet during the year however the Circular Resolution was approved by Committee.</i></p>
<p>Risk Management Committee</p>	<p>Mr. Takehisa Kaneda, Chairman; Mr. Sandeep Gambhir; and Mr. Taro Oyama</p>	<p>(1) Risk planning</p> <p>(2) Risk assessment & monitoring – Economy Review, Industry Review, Portfolio Review, Rating</p> <p>(3) Risk systems (MIS and IT system integration)</p>

		<p>(4) Risk reporting – Keeping the Board informed at regular intervals of credit, market and operational Risk Profile of OAIS.</p> <p><i>Note: The Committee did not meet during the year under review.</i></p>
Treasury and Asset Liability Management Committee	Mr. Takehisa Kaneda, Chairman; Mr. Sandeep Gambhir; and Mr. Taro Oyama	<p>(1) Pricing of products for both deposits and advances;</p> <p>(2) Fixing of desired maturity profile and mix of the incremental assets and liabilities;</p> <p>(3) Collecting information about the prevailing interest rates offered by other peer NBFC for the similar services/products;</p> <p>(4) Reviewing the results and progress in implementation of the decisions made in the previous meeting;</p> <p>(5) To articulate the current interest rate view</p> <p>(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</p> <p>(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</p>

		<p>(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.</p> <p>(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</p> <p>All the approvals are obtained through electronic process i.e. system</p> <p><i>Note: The Committee met twice during the year under review.</i></p>
Residual Value Committee	Mr. Takehisa Kaneda, Chairman; Mr. Sandeep Gambhir; and Mr. Taro Oyama	<p>Setting the Residual Value of the vehicles provided by the Company on Finance Lease basis.</p> <p><i>Note: The Committee did not meet during the year under review.</i></p>
Credit and Collection Committee	Mr. Takehisa Kaneda; Mr. Sandeep Gambhir; and Mr. Taro Oyama	<p>The Committee is entrusted with the powers of the Board of Directors with regard to approval of Credit Proposals in respect of Finance Lease and Commercial Vehicle business. All the approvals are obtained through electronic process i.e. system by virtue of Approval Matrix of the Company.</p>

Executive Committee	Mr. Takehisa Kaneda; Mr. Sandeep Gambhir; and Mr. Taro Oyama	<p>(1) To lay down internal Rules, Policies, Processes and Regulations with regard to Credit.</p> <p>(2) To set up Business Policies for marketing/sales (including new product, business names, marketing segments)</p> <p>(3) To note waiver of income / reversals approved by Chairman and Director</p> <p>(4) 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</p> <p>(5) To review Principal and Agency Agreement approved by Chairman and Director</p> <p>(6) To approve general expenditure (for single purpose) over Rs.10 mn</p> <p>(7) To review Advertisement and Publicity expenses approved by the Chairman and Director and / or Managing Director and CEO.</p> <p>(8) To review Corporate Gifts expenses approved by the Chairman and Director and / or Managing Director and CEO.</p>
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		<p>(9) To review Capital Expenditure towards acquisition of assets (for single purpose excluding operating assets), upto Rs.1 mn approved by COO.</p> <p>(10) To Review Capital Expenditure towards acquisition of assets (for single purpose excluding operating assets), over Rs.1 mn and up to Rs.13 mn approved by the Chairman and Director and / or Managing Director and CEO.</p> <p>(11) To review Computer Hardware and Software (CAPEX and OPEX for single project) up to Rs.13 mn approved by the Chairman and Director</p> <p>(12) To review Capital Receipts, towards disposal of assets (for single purpose excluding operating assets), upto 1 mn which is approved by COO</p> <p>(13) To review Capital Receipts towards disposal of assets (for single purpose excluding operating assets), over 1 mn and upto 13 mn approved by Chairman and Director and / or Managing Director and CEO</p> <p>(14) To approve Sale of Scrap Material and other disposal of miscellaneous nature over 13 mn</p>
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		<p>(15) To delegate powers mentioned in Sr. Nos. (2) and (14) above to any person as may be deemed appropriate by the Committee</p> <p>(16) To consider and approve closure of Bank Accounts.</p> <p><i>Note: The Committee did not meet during the year however the Circular Resolution was approved by the Committee.</i></p>
<p>Corporate Social Responsibility (CSR) Committee w.e.f. March 9, 2015</p>	<p>Mr. Takehisa Kaneda; Mr. Sandeep Gambhir; and Mr. Abhay Kakkar (Independent Director)</p>	<p>(1) To formulate & Update a CSR Policy and seek recommendation of the Board on the CSR activities to be undertaken by the Company.</p> <p>(2) To suggest areas of intervention & approve projects for CSR activities.</p> <p>(3) Put monitoring mechanisms in place to track the progress of each project.</p> <p>(4) Recommend the CSR expenditure to the Board for approval.</p> <p>(5) Meet on half yearly basis to review the progress made, or at such intervals periods and may be required by the Company</p>

XX. Vigil mechanism for directors and employees :

- (1) In terms of Section 177(9) and (10) of the Companies Act, 2013 (the Act), every class of Companies (a) who accepts deposits from the public and (b) who have borrowed money from Banks and Public Financial Institution (PFI) in excess of Rs. 500 mn, as prescribed under Rule 7 of Companies (Meetings of Board and its powers) Rules, 2014, are required to establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances.

- (2) The said vigil mechanism would need to provide :
 - (a) Reporting of genuine concerns;
 - (b) Adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases;
 - (c) Taking suitable action against the Director or employee for repeated frivolous complaints being filed under the vigil mechanism;
 - (d) The existence of such mechanism may be appropriately communicated within the organization; and
 - (e) Establishment of such mechanism in the Company's website, if any, and in the Board's Report.
- (3) The Board of Directors of the Company had approved the Whistle Blower Policy in its meeting held on June 29, 2012. The said Policy covers all aspects of vigil mechanism sought to be established under the provisions of the Act and also the same has been communicated within the organization. The Whistle Blower Policy is also disclosed on the Company's website
- (4) Accordingly, the Board of Directors in their meeting held on March 9, 2015 approved the Whistle Blower Policy of the Company as the Vigil Mechanism.

XXI. Corporate Social Responsibility (CSR) :

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are enclosed as Annexure-3

XXII. Policy on Directors' appointment and remuneration:

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, provided under section 178(3) of the Companies Act, 2013, adopted by the Board of Directors, is appended as Annexure-4 to this Report.

XXIII. Particulars of Loans, Guarantees or Investments:

Loans, Guarantees and Investments under section 186 of the Companies Act, 2013 are nil. However, Loans made in the Ordinary Course of business is given in the Notes to Accounts forming part of the Audited Financial Statements for the year ended March 31, 2015.

XXIV. Particulars of contracts or arrangements with related parties :

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure-5 to this Report.

XXV. Particulars of Employees :

None of the employees throughout the financial year are in receipt of remuneration of Rs. 60 Lakhs or more, or employed for part of the year and in receipt of Rs. 5 Lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

XXVI. Corporate Governance Certificate/ Policies or Compliance thereunder :

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the company. The corporate governance philosophy of the company has been further strengthened with the adoption of the various policies of the company. The company, through its Board and Committees, endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders. In order to ensure regulatory and statutory compliances, the following Corporate Governance Framework for the company has been adopted:

- (1) During the year under review, following policies were approved and implemented :
 - (a) Basic Rules on Crises and Claims so as to enable the Company and management to deal with different types of Crises and Claims;
 - (b) Nomination and Remuneration Policy; and
 - (c) CSR Policy
- (2) Know Your Customer and Anti Money Laundering Policy: The Company has a Board approved KYC and Anti Money Laundering Measure Policy (KYC & AML Policy) in place and adheres to the said policy. The said policy is in line with the RBI Guidelines.

The Company has also adhered to the compliance requirement in terms of the said policy including the monitoring and reporting of cash and suspicious transactions. The Company furnishes to Financial Intelligence Unit (FIU), India in electronic medium, information of all cash transactions of the value of more than Rupees Ten Lakhs or its equivalent in foreign currency and suspicious transactions whether or not made in cash, in terms of the said policy.

(3) Fair Practice Code:

The Company has in place a Fair Practice Code (FPC), which includes guidelines on dealing with the customers or client protection. The FPC captures the spirit of the RBI guidelines on fair practices for Non-Banking Finance Companies. The company duly complies with the provisions of the FPC.

(4) In-sourcing of Internal Audit Functions: Mr. Jay Gandhi, Company Secretary of Holding Company is appointed as Internal Auditor of the Company for FY 2015-2016.

(5) Committee of Board of Directors: The Board of Directors of the Company have the following Committees of the Board for better and more focused attention on the affairs of the company:

- (i) Audit Committee;
- (ii) Treasury and Asset Liability Management Committee;
- (iii) Nomination and Remuneration Committee;
- (iv) Risk Management Committee;
- (v) Credit and Collection Committee;
- (vi) Residual Value Committee;
- (vii) Corporate Social Responsibility Committee; and
- (viii) Executive Committee.

XXVII. Risk Management Policy :

- (1) Risk Management forms an integral part of the company's business process and constitutes an important element of decision making. The company has in place mechanisms to inform Board Members about the risk assessment and mitigation procedures and periodical review to ensure that executive management controls risk by means of a properly defined framework. The company also believes that a strong Internal Controls framework is one of the important pillars of Corporate Governance.
- (2) The company has been taking continuous steps in response to the changes in the market and its business portfolio which helps in effective allocation of its management resources. Moreover, it is constantly endeavoring to increase the sophistication of systems and processes to ensure that it can cope with future challenges associated with the continued expansion of operations as well as changes in operative environment
- (3) Risk Organization is the basic building block of OLFS through which Management oversees Risk Management in the company's functions.

(4) **Economy Risk :**

A slowdown in the economy has a direct impact on the sale of Passenger Cars and CVs as well as impacting the growth of the SME sector.

Risk Mitigation

An economic slowdown generally affects the new vehicle finance and leasing industry. The Passenger Car leasing segment has different set of sensitivities as compared to commercial vehicle finance business. To the extent risk parameters are uncorrelated; the asset class serve to de risk the business model. Besides, the used CV market remains largely unaffected because of the unique customers as well as lower deal size. On the SME front, there is an in-depth analysis of the borrowers business lines and income streams to ensure reasonable continuity in the foreseeable future to protect the Company's exposure.

(5) **Interest Rate Risk:**

While the company borrows at both fixed and floating rates, it lends at a fixed rate in case of Leasing and Commercial Vehicle Finance, though in case of Loan Against Property, these are floating rate loans. If the company has a large proportion of borrowings at a floating rate, a sharp fluctuation in interest rate may lead to a reduction in the Company's net interest margin. Higher interest cost would also lead to a higher cost of lending which may reduce the attractiveness of the Company for borrowers and affect the company's ability to grow its business.

Risk Mitigation

Majority of the company's CV loan portfolio qualify as Priority Sector assets for banks, which enables the company to raise funds at lower costs. The Company enjoys a very healthy credit rating from the rating agencies and given its long standing relationship with banks and an impeccable track record of servicing its debts in a timely manner, the company does not find difficulty in raising resources at competitive rates.

(6) **Asset-liability mismatches risk:**

If the company uses short-term liabilities to fund long term assets, it could result in a liquidity crunch affecting the company's ability to service loans and fund overheads.

Risk Mitigation

The company has been keeping a tab on the mix of borrowings through Treasury and Asset Liability Management Committee (T & ALM). The company is also increasing its proportion of long term loans over period of time. Unfortunately, as the interest rates rose over the past 12 months the company was not appropriately hedged thus having a negative impact on profitability.

XXVIII. Directors' Responsibility Statement :

The Directors confirm that as prescribed in Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013:

- (1) In preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed;
- (2) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (3) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (4) The directors have prepared the annual accounts on a going concern basis and
- (5) The directors have laid down internal financial controls, which are adequate and are operating effectively.
- (6) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

XXIX. ACKNOWLEDGEMENTS :

Relationships with Shareholders, Central and State Governments, Ministry of Corporate Affairs, The Reserve Bank of India (NBFC Division), Banks, Financial Institutions and other lenders, Customers, Employees and other Stakeholders remained sound during the year under review. Your Directors are grateful for the support extended by them, and look forward to receiving their continued support and encouragement

By Order of the Board of Directors



Sandeep Gambhir
Managing Director
DIN No.:00083116



Takehisa Kaneda
Director
DIN No.:07082839

Place: Mumbai
Date: July 29, 2015

ANNEXURE-1

AABID & CO.
COMPANY SECRETARIES

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

ORIX Leasing & Financial Services India Limited

Mumbai

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **ORIX Leasing & Financial Services India Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing opinion thereon.

Based on our verifications 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, 2015 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:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2015 according to the provisions of:



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Mumbai Suburban Office:

4, Jainika Apartment, Opp Malcolm Baug, Next to Dena Bank,
S. V. Road, Jogeshwari (West), Mumbai - 400 102
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- (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 is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - 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;
 - i) The other Laws applicable specifically to the company is Annexed with this Report as ANNEXURE- II.



It seems that the Company is not listed on any Stock Exchange in India, therefore only clause (i) and (iv) are 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 to the extent applicable.
- (ii) The Company is not listed on any Stock Exchange of India; hence compliance related to Listing Agreements is not applicable to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

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 Director. There were 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 notices are given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and with respect to meeting called at Shorter Notice, the company has duly complied with the provisions of Section 101 of the companies Act 2013, and a system exist for seeking and obtaining further information and clarification 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.



We further report that during the audit period the company has adequately complied with the RBI Guidelines, Rules and Regulations with respect to filing of various Forms, documents pertaining to various transactions carried out by the Company, Financial Statements and Returns of the Company. The Company has also altered its Memorandum of Association with respect to Name clause and Object Clause and has duly carried out all the compliance with respect to the same.

Place: Mumbai
Date: 19th May , 2015
FCS NO.:6579
C.P.No.:6625



For Aabid & Co

(Mohammad Aabid)

Partner

ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial Year ended 31st March, 2014.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration committee, along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Agenda papers submitted to all the directors/members for the Board Meetings and Committee meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of Companies Act, 2013.
7. E-forms filed by the company, from time to time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report
8. Statutory Registers viz.
 - Register of Directors' & Key Managerial Personnel (KMP)
 - Register of Members
 - Register of Charges
9. Records maintained by the Company with respect to RBI Compliance
10. Forms, Monthly Return, Financial Statements, Details of the Directors , Reports and Certificates issued by the Auditors with respect to transactions entered into by the company and various Other Documents duly submitted and filed with the RBI .



ANNEXURE – II

List of Applicable Laws to the Company

List of applicable Laws to the Company:

Registered office :

Plot no. 94, Marol Co. Op. Industrial Estate, Andheri Kurla Road, Andheri (East),
Maharashtra-400059

Under the Major Group and Head :

- 1) Companies Act, 2013.
- 2) Non Banking Financial Companies (Amendments) Rules and Directions by
RBI
- 3) The Maternity Benefit Act, 1961.
- 4) The Payment of Gratuity Act, 1972.
- 5) The Maharashtra Shops & Establishment Act, 1972
- 6) The Employee's State Insurance Act, 1948
- 7) Employee's Compensation Act, 1923
- 8) The Maharashtra State Tax on Professions, Trades, Callings and
Employments Act, 1975
- 9) The Sexual Harassment of Women at Workplace (Prevention, Prohibition
and Redressal) Act, 2013



Annexure - 2

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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	Finance Leasing and Other financial Service activities, except insurance and pension funding activities
5. Address of the Registered office & contact details	Plot No. 94, Marol Co-operative Industrial Estate, Andheri-Kurla Road, Andheri (East), Mumbai – 400059; Tel.: +91 (22)6707 0100; Fax: +91 22 2852 8549; Email: info@orixindia.com; Website: www.orixindia.com
6. Whether listed company	No
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. Principal Business Activities of the Company:

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Other financial Service activities, except insurance and pension funding activities	649	100

III. 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 [As on 31-March-2014]			No. of Shares held at the end of the year [As on 31-March-2015]			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoter s							
(1) Indian							
a) Individual/HUF							
b) Central Govt							
c) State Govt(s)							
d) Bodies Corp.	-	81,158,054	81,158,054	81,158,054	0	81,158,054	99.99
ORIX Auto Infrastructure Services Ltd. (O AIS)							

Overseas Corporate Bodies																			
Foreign Nationals																			
Clearing Members																			
Trusts																			
Foreign Bodies - D R																			
Sub-total (B)(2):-	-	70	70	0.0001	-	70	70	0.0001	-	70	70	0.0001	-	70	70	0.0001	-	70	70
Total Public Shareholding (B)-(B)(1)+ (B)(2)	-	70	70	0.0001	-	70	70	0.0001	-	70	70	0.0001	-	70	70	0.0001	-	70	70
C. Shares held by Custodian for GDRs & ADRs	-																		
Grand Total (A+B+C)	-	81,158,124	81,158,124	100	81,158,054	70	81,158,124	100	81,158,054	70	81,158,124	100	81,158,054	70	81,158,124	100	81,158,054	70	81,158,124

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	81,158,054	99.9999	Nil	81,158,054	99.9999	-	Nil

C. Change in Promoters' Shareholding (please specify, if there is no change) – Not Applicable

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				
	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				

**D. Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

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
	At the beginning of the year	20	0.00	20	0.00
	Mr. Sandeep Gambhir jointly with ORIX Auto Infrastructure Services Ltd – 10 Share				
	Mr. Vivek Wadhwa jointly with ORIX Auto Infrastructure Services Ltd – 10 Share				

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	20	20	20

IV. **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	-	1,250,000,000	-	1250000000
ii) Interest due but not paid	-	203,423	-	203,423
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	1,250,203,423	-	1,250,203,423
Change in Indebtedness during the financial year				
Addition	400,224,658	253,706,240	-	653,930,898
* Reduction	-	(166,870,088)	-	(166,870,088)
Net Change	400,224,658	86,836,152	-	487,060,810
Indebtedness at the end of the financial year				
i) Principal Amount	400,000,000	1,336,836,152	-	1,736,836,152
ii) Interest due but not paid	224,658	203,422	-	428,080
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	400,224,658	1,337,039,574	-	1,737,264,232

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD	Total Amount
1	Gross salary	Mr. Sandeep Gambhir	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-
	(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 (A)		
	Ceiling as per the Act		28,494,640

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Mr. Nagesh Dubey	Mr. Abhay Kakkar	
	Fee for attending board meetings	30,000	30,000	60,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)			
2	Other Non-Executive Directors	None		
	Fee for attending board committee meetings			
	Commission			
	Others, please specify			
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	-
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			31,344,137

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		MD (Mr. Sandeep Gambhir)	CS (Ms. Shuchi Singhvi)	CFO (Mr. Vivek Wadhera)	Total
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,027,316	-	1,027,316
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(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	-	1,027,316	-	1,027,316

VI. VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: -

There were no penalties /punishment/compounding of offences for the ending March 31, 2015.

Annexure - 3

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]

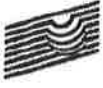
1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs – None
2. The Composition of the CSR Committee: Mr. Takehisa Kaneda, Mr. Sandeep Gambhir and Mr. Abhay Kakkar
3. Average net profit of the company for last three financial years: -20,862,704/- (2011-2012, 2012-2013, 2013-2014)
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) –NA
5. Details of CSR spent during the financial year – NA

- (a) Total amount to be spent for the financial year;
- (b) Amount unspent, if any;

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in Which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
NOT Applicable for FY 2014-2015.							
	TOTAL						

*Give details of implementing agency.



ORIX

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

A handwritten signature in black ink, appearing to read 'Sandeep Gambhir', written in a cursive style.

Mr. Sandeep Gambhir
(Managing Director)
DIN No.:00083116

A handwritten signature in black ink, appearing to read 'Takehisa Kaneda', written in a cursive style.

Mr. Takehisa Kaneda
(Chairman CSR Committee)
DIN No.: 07082839

NOMINATION AND REMUNERATION POLICY

The Board of Directors of ORIX Leasing & Financial Services India Limited (“the Company”) constituted the “Nomination and Remuneration Committee” at the Meeting held on March 9, 2015 with immediate effect, consisting of Four (4) Non-Executive Directors of which majority are Independent Directors.

(I) Introduction:

In pursuance of the Company’s policy to

- (1) consider human resources as its invaluable assets;
- (2) to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company;
- (3) to harmonize the aspirations of human resources consistent with the goals of the Company; and
- (4) in terms of the provisions of the Companies Act, 2013 as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management, Nomination And Remuneration Policy (‘ the Policy’) has been formulated by the Committee and approved by the Board of Directors.

(II) Objective of the Committee:

- (1) To guide the Board/lay down criteria in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- (2) Identify persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management Personnel (SMPs) and Key Managerial Personnel (KMPs).
- (3) To determine remuneration of Directors, KMPs and SMPs based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- (4) To carry out evaluation of the performance of Directors, as well as KMP’s and SMP’s and to provide for reward(s)/incentives linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- (5) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

(III) Definitions :

- (1) 'Act' means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- (2) 'Board' means Board of Directors of the Company.
- (3) 'Company' means ORIX Leasing & Financial Services India Ltd.
- (4) 'Directors' mean Directors of the Company.
- (5) 'Key Managerial Personnel' means
 - (a) Chief Executive Officer or the Managing Director or the Manager;
 - (b) Whole-time director;
 - (c) Chief Financial Officer;
 - (d) Company Secretary; and
 - (e) such other officer as may be prescribed.
- (6) 'Senior Management Personnel' for this purpose shall mean employees of the company who are members of its core management team which is known as Executive Committee of Management (not being Committee formulated by Board of Directors) and excluding Board of Directors. It would comprise all members of management one level below the executive director(s), which shall include all Business Heads and Functional Heads and representative of ORIX Corporation, if any.

(IV) Role of Committee:

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- (1) Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- (2) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- (3) Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

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

- (1) Criteria: The Committee shall identify and ascertain the integrity, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- (2) Qualification: A person should possess adequate qualification for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- (3) Term/Tenure:
 - (a) Managing Director/Whole-time Director:
 - (i) The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
 - (ii) The Company shall not appoint or continue the employment of any person as Whole-time Director/Managing Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
 - (b) Independent Director:
 - (i) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - (ii) No Independent Director shall hold office for more than two consecutive terms of 5 years, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

(4) Evaluation of Director, KMP and SMPs:

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

(5) Retirement:

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

(6) Removal:

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

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

(1) General:

- (a) The remuneration / compensation / commission etc. to the Whole-time Director including Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- (b) The remuneration and commission to be paid to the Whole-time Director including Managing Director shall be either in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder or as approved by the shareholders of the Company as deemed appropriate by the Committee.
- (c) Increments to the existing remuneration / compensation structure of Whole-time Director, Managing Director, KMPs and SMPs may be recommended by the Committee to the Board.

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

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

(a) Fixed pay:

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

(b) Minimum Remuneration:

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

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

(i) Remuneration / Commission:

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

(ii) Sitting Fees:

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

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

(iii) Commission:

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

(iv) Stock Options:

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

(VII) FREQUENCY OF MEETINGS :

The meeting of the Committee shall be held at such regular intervals as may be required.

(VIII) QUORUM OF THE MEETINGS :

Any two members present at the meeting shall form a Quorum. Out of these two members one member shall compulsorily be the Director representing ORIX Corporation in the absence of whom Quorum shall be deemed to be incomplete

(IX) RESOLUTION / DECISION :

Any matter placed before the Committee shall be decided by a resolution and in case of equality of votes in favour or against the resolution placed before the Committee, the Chairman of the Committee shall have casting vote.

(X) COMMITTEE MEMBERS' INTERESTS :

- (1) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (2) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

(XI) NOMINATION DUTIES :

The duties of the Committee in relation to nomination matters include:

- (1) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- (2) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the guidelines provided under the Act;
- (3) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- (4) Determining the appropriate size, diversity and composition of the Board;
- (5) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- (6) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- (7) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- (8) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- (9) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- (10) Recommend any necessary changes to the Board; and
- (11) Considering any other matters, as may be requested by the Board.

(XII) REMUNERATION DUTIES :

The duties of the Committee in relation to remuneration matters include:

- (1) To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- (2) To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- (3) To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- (4) To consider any other matters as may be requested by the Board.
- (5) Professional indemnity and liability insurance for Directors and senior management.

(XIII) MINUTES OF COMMITTEE MEETING :

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

(XIV) AMENDMENT :

OLFS reserves its right to amend or modify this Policy in whole or in part, at any time, without assigning any reason whatsoever. However, no such amendment or modification shall be binding unless the same is notified in writing.

Revision History

Revision date	Description	Revised by	Version #
March 26, 2015	Introduction	Jay Gandhi	1.0
May 19, 2015	Pursuant to decision of the Board in its meeting held on April 24, 2015	Jay Gandhi	2.0

Annexure - 5

Particulars of contracts/arrangements made with related parties {pursuant to Clause (h) of sub-section(3) of Section 134 of the Companies Act, 2013, Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC 2}

This form pertains to the 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 arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis:

There are no contracts or arrangements or transactions entered into during the year ended March 31,2015, which were not at arms' length basis.

Details of contracts or arrangements or transactions at arm's length basis:

The details of material contracts or arrangements or transactions at arms' length basis for the year ended March 31, 2015 are as follows:

Name of Related Party and nature of Relationship	Particulars of the Contract	Nature of Contract	Duration of Contract	Salient terms	Amount (in Million)
ORIX Auto Infrastructure Services Limited	Services availed :	Agreement	Apr 13 till date	Based on transfer pricing guidelines and Agreement	8.4
	(1) Management fees;				
	(2) Rent Charged on sharing of premises;				
	(3) Interest on inter Company transactions; and				
	(4) Administration and Operating Expenses		Apr 2009 till date		13.42
	Purchase of Services/ Services Rendered:		Apr 2009 till date		1.12
	Inter Corporate Loan and Interest thereon		Dec 2010 till date		8.10
- Do -		Agreement	Dec 13 to Dec 14	Based on transfer pricing guidelines and Agreement	15.68 (Interest amount only)



ORIX

ORIX Corporation; Ultimate Company	Guarantee fees	Agreement	Mar 13 till date	Based on transfer pricing guidelines and Agreement	1.45
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* Appropriate approvals have been taken for Related Party Transactions in the Board Meeting and Audit Committee Meeting.

For and on behalf of the Board of Directors

Sandeep Gambhir
(Managing Director)
DIN: 00083116

Takehisa Kaneda
(Director)
DIN: 07082839

Independent Auditors' Report

To the Members of ORIX Leasing & Financial Services India Limited

(Formerly O AIS Auto Financial Services Limited)

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of ORIX Leasing & Financial Services India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Responsibility for financial statements

2. 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 standalone 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.
3. 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.

Auditors' responsibility

4. Our responsibility is to express an opinion on these standalone 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

ORIX Leasing & Financial Services India Limited

(Formerly OAIS Auto Financial Services Limited)

Auditors' responsibility (Continued)

5. 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.
6. 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

7. 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:
 - a. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2015.
 - b. in the case of the statement of profit and loss, of the profit for the year ended on that date; and
 - c. in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ('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 statement on the matters specified in paragraph 3 and 4 of the Order.
9. 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;

Independent Auditors' Report

ORIX Leasing & Financial Services India Limited

(Formerly OAIS Auto Financial Services Limited)

Report on Other Legal and Regulatory Requirements (Continued)

- 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;
- d) In our opinion, the aforesaid standalone 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 six out of eight directors as on 31 March 2015 taken on record by the Board of Directors, none of the six directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act. With regard to two remaining directors, we have not received such a written representation and we are therefore unable to state if they are disqualified as on 31 March 2015 from being appointed as directors in terms of Section 164 (2) of the Act. We are informed that one of the aforesaid two directors has resigned from Board of Directors w.e.f 13 April 2015 and the other director has been removed from the office of the Director of the Company vide resolution passed in the extra ordinary general meeting dated 18 May 2015; and
- f) 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 litigations on its financial position in its standalone financial statements – Refer Note 24.1 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B S R and Company
Chartered Accountants
Firm's Registration No: 128900W



N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
19 May 2015

ORIX Leasing & Financial Services India Limited

(Formerly O AIS Auto Financial Services Limited)

Annexure to the Independent Auditors' Report 31 March 2015

(Referred to in our report of even date)

1. (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.
2. The Company is in business of Finance Lease and Loans. Accordingly, it does not hold any inventories. Thus, paragraph 3 (ii) of the Order is not applicable.
3. According to the information and explanation given to us, the Company had granted unsecured Inter Company Deposit to the holding company covered in the register maintained under section 189 of the Act. During the year, the company regularly received the principal and interest on the aforesaid deposit and was fully recovered by 31 March 2015.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of section 73 to section 76 or other relevant provisions of the Act and rules framed there under apply.
6. 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.
7. (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, sales tax, service tax, value added tax and other material statutory dues have generally been 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, duty of excise and cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, value added tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

ORIX Leasing & Financial Services India Limited

(Formerly O AIS Auto Financial Services Limited)

Annexure to the Independent Auditors' Report 31 March 2015

(Continued)

- (b) According to the information and explanations given to us, the following dues of income tax and value added tax has not been deposited by the Company on account of disputes. There were no amounts of sales tax and service tax that have not been deposited on account of disputes.

Name of the Statute	Nature of the Dues	Amount in `	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	7,613,760	AY 2010-11	Commissioner of Income Tax (Appeals) Mumbai
Income Tax Act, 1961	Income Tax	11,54,44,340	AY 2010-11	Deputy Commissioner of Income Tax, Mumbai
Income Tax Act, 1961	Income Tax	3,99,59,190	AY 2011-12	Deputy Commissioner of Income Tax, Mumbai
Income Tax Act, 1961	Income Tax	54,431	AY 2012-13	Undisputed Dues, appeal being filed against the order dated 31 March 2015
Income Tax Act, 1961	Income Tax	21,153,966	AY 2012-13	Undisputed Dues, appeal being filed against the order dated 31 March 2015
Value Added Tax Act	VAT	31,349,130	April 2012 to December 2013	Assistant Commissioner of Sales Tax, Delhi

- (c) According to the information and explanations given to us, there are no dues of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder before the end of the year which is required to be transferred.
8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
 9. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bank or financial institutions. The Company did not have any outstanding debentures during the year.
 10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Thus, paragraph 3 (x) of the Order is not applicable.

ORIX Leasing & Financial Services India Limited

(Formerly OAIS Auto Financial Services Limited)

Annexure to the Independent Auditors' Report 31 March 2015

(Continued)

11. 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.
12. 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.

For **B S R and Company**
Chartered Accountants
Firm's Registration No: 128900W



N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
19 May 2015

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

Balance sheet
as at 31 March 2015

(Currency: Indian Rupees)

	Notes	31 March 2015	31 March 2014
I EQUITY AND LIABILITIES			
1 Shareholders' fund			
Share capital	3	811,581,240	811,581,240
Reserves and surplus	4	2,203,261,317	2,005,339,626
		<u>3,014,842,557</u>	<u>2,816,920,866</u>
2 Non-current liabilities			
Long-term borrowings	5	916,666,667	1,083,333,334
Other long term liabilities	6	38,084,976	29,067,286
Long term provisions	7	3,606,051	2,109,668
		<u>958,357,694</u>	<u>1,114,510,288</u>
3 Current liabilities			
Short term borrowings	8	718,013,444	51,135,637
Trade payables	9	207,550,490	51,682,532
Other current liabilities	10	248,863,400	274,196,023
Short-term provisions	11	56,211,886	165,287,424
		<u>1,230,639,220</u>	<u>542,301,616</u>
TOTAL		<u><u>5,203,839,471</u></u>	<u><u>4,473,732,770</u></u>
II ASSETS			
1 Non-current assets			
Fixed assets	12		
Tangible assets		7,057,938	5,075,955
Intangible assets		13,364,546	8,388
		<u>20,422,484</u>	<u>5,084,343</u>
Deferred tax asset	24.7	490,951,000	446,164,000
Long-term loans and advances	13	2,614,547,954	1,849,591,881
Other non-current assets	14	27,698,402	219,473,485
		<u>3,153,619,840</u>	<u>2,520,313,709</u>
2 Current assets			
Trade receivables	15	84,274,734	127,321,088
Cash and bank balances	16	141,463,263	196,805,613
Short term loans and advances	17	1,779,245,071	1,616,287,126
Other current assets	18	45,236,563	13,005,234
		<u>2,050,219,631</u>	<u>1,953,419,061</u>
TOTAL		<u><u>5,203,839,471</u></u>	<u><u>4,473,732,770</u></u>

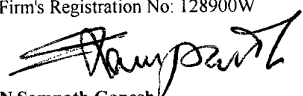
Significant accounting policies

2

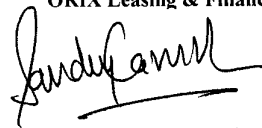
The accompanying notes form an integral part of these financial statements

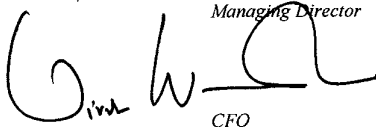
As per our report of even date attached


For **B S R and Company**
Chartered Accountants
Firm's Registration No: 128900W


N Sampath Ganesh
Partner
Membership No: 042554

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


Managing Director


CFO


Company Secretary

Mumbai
19 May 2015

Mumbai
19 May 2015

ORIX

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

Statement of Profit and Loss
for the year ended 31 March 2015

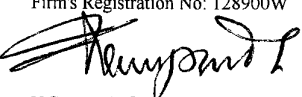
(Currency: Indian Rupees)

	<i>Notes</i>	31 March 2015	31 March 2014
REVENUE			
Revenue from operations	19	573,619,660	534,629,908
Other income	20	42,911,879	53,276,108
Total revenue		<u>616,531,539</u>	<u>587,906,016</u>
EXPENSES			
Employee benefit expense	21	77,187,083	53,132,237
Finance costs	22	144,544,876	312,102,396
Depreciation and amortisation expenses	12	4,065,340	1,568,472
Other expenses	23	105,787,534	96,298,871
Total expenses		<u>331,584,833</u>	<u>463,101,976</u>
PROFIT / (LOSS) BEFORE TAX		284,946,706	124,804,040
TAX EXPENSE			
Current tax		133,449,320	113,288,739
(Excess) / Short provision of tax for earlier years		(1,637,306)	(2,493,081)
Deferred tax	24.7	(44,787,000)	(73,191,000)
PROFIT / (LOSS) FOR THE YEAR		<u>197,921,692</u>	<u>87,199,382</u>
EARNING PER EQUITY SHARE			
Basic and diluted earning per share of ₹ 10/- face value		<u>2.44</u>	<u>2.04</u>

Significant accounting policies 2

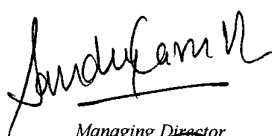
The accompanying notes form an integral part of these financial statements
As per our report of even date attached

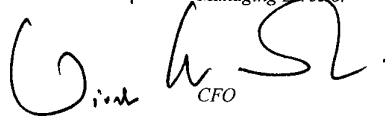
For **B S R and Company**
Chartered Accountants
Firm's Registration No: 128900W

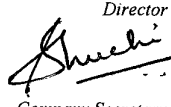

N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
19 May 2015

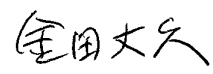
For and on behalf of the Board of Directors
ORIX Leasing & Financial Services India Limited


Managing Director


CFO


Director
Company Secretary

Mumbai
19 May 2015



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

Cash Flow Statement

for the year ended 31 March 2015

(Currency: Indian Rupees)

	31 March 2015	31 March 2014
Cash flow from operating activities		
Profit / (Loss) Before Tax	284,946,706	124,804,040
Adjustments:		
Depreciation and amortisation expenses	4,065,340	1,568,472
Provision for employee benefits (net)	2,168,315	(132,046)
Profit on sale of leased assets (net)	(6,495,139)	(4,795,571)
Loss on sale of fixed assets	45,569	(33,277)
Loss on termination of repossessed hypothecated assets	20,286,511	14,205,298
Provision for non-performing assets	(109,034,029)	(91,045,225)
Bad debts written off	83,972,431	73,558,525
Finance cost	140,147,281	295,409,567
Sundry balances written back	(2,845,468)	(4,077,993)
Operating profit before working capital changes	417,257,516	409,461,789
Adjustments:		
(Increase) / Decrease in inventory and repossessed assets	3,168,941	(1,827,974)
(Increase) / Decrease in trade receivables	43,046,355	(73,983,247)
Net (Increase) / Decrease in deposits with bank for sale of assignment	147,381,066	15,066,046
(Increase) / Decrease in Loan and Advances & other assets	(154,056,198)	(140,782,180)
Increase / (Decrease) in payable in pursuant to the scheme of arrangement	(4,651,162)	(41,940,630)
Increase / (Decrease) in trade / other payables	24,260,428	(425,741,910)
Net Increase / (Decrease) in long term liability	9,017,690	(7,093,070)
Net (Increase) / Decrease in loans term loans and advances	(764,956,073)	94,152,652
Net cash used in operating activities before taxes	(279,531,437)	(172,688,524)
Less: Taxes paid	(131,397,647)	(109,605,939)
Cash flows used in operating activities -A	(410,929,083)	(282,294,463)
Cash flow from investing activities		
Purchase of fixed assets	(19,954,715)	(4,389,506)
Proceeds from sale of fixed assets	505,664	262,966
Cash flows used in investing activities -B	(19,449,051)	(4,126,540)

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

Cash Flow Statement (Continued)
for the year ended 31 March 2015

(Currency: Indian Rupees)

	31 March 2015	31 March 2014
Cash flow from financing activities		
Proceeds from Long-Term Borrowings	-	1,083,333,334
Repayment of borrowings	(166,666,667)	(1,661,831,979)
Decrease / (Increase) in short term borrowings	671,528,970	(782,746,682)
Issue of equity shares at Premium	-	1,970,534,370
Interest on term loan	(140,147,281)	(295,409,567)
Cash flows generated from financing activities - C	<u>364,715,023</u>	<u>313,879,476</u>
Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	<u>(65,663,112)</u>	<u>27,458,473</u>
Cash & cash equivalents as at the beginning of the year	98,234,157	70,775,682
Cash and cash equivalents as at the end of the year	32,571,045	98,234,156
Reconciliation of cash and cash equivalents with the balance sheet :		
Cash and cash equivalent as per balance sheet	141,463,263	196,805,613
Less: Fixed deposits with a maturity of equal to and more than 3 months but less than 12 months	108,892,218	98,571,457
Cash and cash equivalents as at the end of the year	<u>32,571,045</u>	<u>98,234,156</u>
Comprises :		
Cash on hand	362,107	396,611
Balances with scheduled banks: in current accounts	32,208,939	97,837,546
Total	<u>32,571,045</u>	<u>98,234,156</u>

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B S R and Company
Chartered Accountants
Firm's Registration No: 128900W



N Sampath Ganesh
Partner
Membership No. 042554

Mumbai
19 May 2015

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




Managing Director Director




CFO Company Secretary

Mumbai
19 May 2015


ORIX Leasing & Financial Services India Limited

(Formerly OAS Auto Financial Services Limited)

Notes to the financial statements

for the year ended 31 March 2015

(Currency: Indian Rupees)

1 Background

ORIX Leasing & Financial Services India Limited (Formerly known as OAS Auto Financial Services Limited) ("The Company") incorporated on 21st 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. ORIX Leasing & Financial Services India Limited provides financial services such as Finance Leasing of Passenger Cars, installment loans for Commercial Vehicles and Loan against Property

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 in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government which continue to apply 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 accounting policies set out below have been applied consistently to the periods prescribed in the financial statements. 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 which is recognised on cash basis in accordance with Guidelines issued by the Reserve Bank of India

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

- In respect of assets leased on or after April 1, 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 installment are overdue for more than 90 days, interest and Finance income is recognised on cash basis and income recognised earlier is reversed.

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

Notes to the financial statements (Continued)
for the year ended 31 March 2015

(Currency: Indian Rupees)

2 Significant Accounting Policies (Continued)

2.4 Revenue Recognition: (Continued)

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

(ii) 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

(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) In respect of Loan against Property, processing fees received at the inception are recognised over the tenure of the loan.

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

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

2.5 Fixed assets :

Fixed assets are stated at cost of acquisition (inclusive of interest where applicable) less accumulated depreciation / impairment losses

2.6 Depreciation 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
Software	4 years

Lease hold improvements are amortised 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 in to 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, Accounting for 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.

2.8 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.

2.9 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 had accelerated the provision for cases overdue past 90 days.

The Company has also made provision of 0.25% for Standard Assets, in terms of 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".

2.10 Repossessed Assets :

Repossessed Assets are valued at lower of cost and estimated net realisable value

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

Notes to the financial statements (Continued)
for the year ended 31 March 2015

(Currency: Indian Rupees)

2 Significant Accounting Policies (Continued)

2.11 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.

(c) Compensated Absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences 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 compensated absences 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.

2.12 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.

2.13 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 / virtually certain to be realised.

2.14 Borrowing costs :

Borrowing costs other than those that are attributable to the acquisition, construction or production of qualifying assets are recognized as an expense in the period in which they are incurred.

2.15 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.

2.16 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.

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

Notes to the financial statements (Continued)
as at 31 March 2015

(Currency: Indian Rupees)

3 Share capital :

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹10 each	90,000,000	900,000,000	90,000,000	900,000,000
Issued				
Equity Shares of ₹10 each	86,357,142	863,571,420	86,357,142	863,571,420
Subscribed & fully paid up				
Equity Shares of ₹10 each	81,158,124	811,581,240	81,158,124	811,581,240
Total	81,158,124	811,581,240	81,158,124	811,581,240

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 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	81,158,124	811,581,240	24,857,142	248,571,420
Shares issued during the year	-	-	56,300,982	563,009,820
Shares outstanding at the end of the year	81,158,124	811,581,240	81,158,124	811,581,240

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. 81,158,124 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 2015		As at 31 March 2014	
	No of shares held	% of holding	No of shares held	% of holding
ORIX Auto Infrastructure Services Limited and its nominees	81,158,124	100.00%	81,158,124	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. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

The Company has issued total 14,285,714 equity shares (March 31 2014 : 14,285,714) during the period of five years immediately preceding the reporting date as fully paid up pursuant to contract(s) without payment being received in cash. These shares were issued in the scheme of arrangement in the previous year 2010-11.

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

Notes to the financial statements (Continued)
as at 31 March 2015

(Currency: Indian Rupees)

4 Reserves and surplus :

Particulars	As at	
	31 March 2015	31 March 2014
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	28,554,344	11,114,468
Additions during the year	39,584,338	17,439,876
Closing balance	68,138,682	28,554,344
Securities premium account		
Closing balance	1,978,953,100	571,428,550
Add : Premium on Equity Shares issued during the year	(0)	1,407,524,550
Closing balance	1,978,953,100	1,978,953,100
Balance in the statement of profit and loss		
Opening balance	(2,167,819)	(71,927,324)
Add : Profit for the year	197,921,692	87,199,382
Less: Transfer to statutory reserve	39,584,338	17,439,876
Closing balance	156,169,535	(2,167,819)
Total	2,203,261,317	2,005,339,626

5 Long-term borrowings

Particulars	As at	
	31 March 2015	31 March 2014
Unsecured		
Term Loan from banks	916,666,667	1,083,333,334
Total	916,666,667	1,083,333,334

Notes:

i Loans as on 31 March, 2015, are repayable as stated below :

Repayment terms	Interest Rate	Repayable in			Total
		1-2 years	2-3 years	3-5 years	
Bullet (Fixed)	9.90%	750,000,000	-	-	750,000,000
Half Yearly (Floating)	9.90% - 10.75% *	166,666,667	-	-	166,666,667
Total		916,666,667	-	-	916,666,667

* The Interest rate ranges from 9.90% to 10.75% during the year

Previous Year 2013-2014 :

Repayment terms	Interest Rate	Repayable in			Total
		1-2 years	2-3 years	3-5 years	
Bullet (Fixed)	9.90%	-	750,000,000	-	750,000,000
Half Yearly (Floating)	9.90%	166,666,667	166,666,667	-	333,333,334
Total		166,666,667	916,666,667	-	1,083,333,334

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

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

Notes to the financial statements (Continued)
as at 31 March 2015

(Currency: Indian Rupees)

6 Other long term liabilities

Particulars	As at	
	31 March 2015	31 March 2014
Security Deposits from lessees	38,084,976	29,067,286
Total	38,084,976	29,067,286

7 Long term provisions

Particulars	As at	
	31 March 2015	31 March 2014
Provision for compensated absences	3,606,051	2,109,668
Total	3,606,051	2,109,668

8 Short term borrowings

Particulars	As at	
	31 March 2015	31 March 2014
From banks:		
Loan Repayable on Demand (Secured)		
Cash Credit	51,359,941	33,333,790
Loan Repayable on Demand (Unsecured)		
Overdraft Facility	253,502,818	-
Secured Loans		
Term Loan	400,000,000	-
Total	704,862,759	33,333,790
From others:		
From related parties (Unsecured)		
ORIX Auto Infrastructure Services Limited	13,150,685	17,801,847
Total	13,150,685	17,801,847
Total	718,013,444	51,135,637

Notes:

- i. Short term borrowings in the form of cash credit and term loans are secured by way of receivables under lease and hire-purchase with hypothecated assets, receivables of loans extended by the Company to different borrowers with beneficial interest on hypothecated assets and unencumbered own assets.
- ii Short term borrowings from banks as on 31 March 2015 are carrying interest @ 10.15% p.a. to 10.25% p.a.

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

Notes to the financial statements (Continued)
as at 31 March 2015

(Currency: Indian Rupees)

9 Trade payables

Particulars	As at	
	31 March 2015	31 March 2014
Trade payables (including provision for expenses)	207,550,490	51,682,532
Total	207,550,490	51,682,532

10 Other current liabilities :

Particulars	As at	
	31 March 2015	31 March 2014
Current maturities of term loan from banks (Unsecured)	166,666,666	166,666,666
Interest accrued but not due on borrowings	95,935	950
Income received in advance	790,311	-
Security Deposits from lessees/hirers	10,633,746	16,365,946
Tax deducted at source	2,042,941	2,315,972
Service tax payable	1,041	156,817
Sale tax payable	5,332,392	21,668,183
Statutory dues pertaining to employees	556,318	322,462
Advances from customers	60,328,743	66,014,024
Other payables	2,415,307	685,003
Total	248,863,400	274,196,023

Note:

- i Term loan as above is guaranteed by ORIX Corporation, Japan (Ultimate holding Company)
- ii Previous year's figures have been regrouped/reclassified to correspond with the current year classification/disclosure as shown below

Particulars	Regrouped to	Regrouped from	31 March 2014
	Other current liabilities	Other current liabilities	
Statutory dues payable	Tax deducted at source		2,315,972
	Service tax payable		156,817
	Sale tax payable	Statutory dues payable	21,668,183
	Statutory dues pertaining to employees		322,462

11 Short-term provisions

Particulars	As at	
	31 March 2015	31 March 2014
Provision for non performing assets	25,867,023	89,043,240
Provision for compensated absences	752,089	80,157
Contingent provision against standard assets	10,925,459	7,834,351
Provision for contingencies	13,763,975	62,799,237
Provision for taxation [net of advance tax ₹ 331,429,996 (2014 - ₹ 193,123,220)]	4,903,340	5,530,439
Total	56,211,886	165,287,424

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

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian Rupees)

12 Fixed assets

Particulars	Gross Block				Depreciation/Amortisation			Net Block	
	As at 1 April 2014	Additions	Deductions	As at 31 March 2015	As at 1 April 2014	For the Year	Deductions	As at 31 March 2015	As at 31 March 2014
Tangible Assets									
Leasehold Improvements	-	508,835	-	508,835	-	26,467	-	26,467	-
Furniture and Fixtures	195,249	261,964	-	457,213	55,525	68,344	-	123,869	139,725
Vehicles	1,935,793	2,817,061	600,000	4,152,854	642,190	837,417	88,767	1,390,840	1,293,603
Data Processing Equipments	6,886,904	1,401,521	80,000	8,208,425	3,583,762	1,609,117	40,000	5,152,879	3,303,141
Office Equipment	484,035	240,000	-	724,035	144,549	154,820	-	299,368	339,486
Sub- total	9,501,981	5,229,381	680,000	14,051,362	4,426,026	2,696,165	128,767	6,993,424	7,057,938
Intangible Assets									
Software	33,642	14,725,334	-	14,758,976	25,254	1,369,175	-	1,394,429	8,388
Sub- total	33,642	14,725,334	-	14,758,976	25,254	1,369,175	-	1,394,429	8,388
Total	9,535,623	19,954,715	680,000	28,810,338	4,451,280	4,065,340	128,767	8,387,853	5,084,343
Previous Year	5,582,017	4,389,506	435,900	9,535,623	3,089,020	1,568,472	206,211	4,451,280	-

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

Notes to the financial statements (Continued)
as at 31 March 2015

(Currency Indian Rupees)

13 Long-term loans and advances

Particulars	As at	
	31 March 2015	31 March 2014
(A) Long Term Loans to Customers		
(i) Secured, considered good		
Finance lease	1,461,627,867	1,417,009,445
Loans against hypothecation of assets	1,053,543,317	429,178,034
Loans against property	94,854,227	-
Total - A	2,610,025,411	1,846,187,479
(B) Other Long Term Loans and Advances		
(i) Secured, considered good		
Capital advances	92,983	677,750
(ii) Unsecured, considered good		
Premises Deposits	715,211	754,905
Sundry Deposits Paid	3,691,502	1,943,846
Prepaid expense	22,847	27,901
Total - B	4,522,543	3,404,402
Total	2,614,547,954	1,849,591,881

14 Other non-current assets :

Particulars	As at	
	31 March 2015	31 March 2014
Bank deposits	26,731,368	184,410,304
Interest accrued on deposits	967,034	35,063,181
Total	27,698,402	219,473,485

Note:

Of the above Bank deposit of ₹ 26,721,368 (Previous year ₹ 183,790,304) pertains to deposits provided as a collateral for sale /assignment / securitisation of loan receivables

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

Notes to the financial statements (Continued)
as at 31 March 2015

(Currency: Indian Rupees)

15 Trade receivables :

Particulars	As at	As at
	31 March 2015	31 March 2014
Outstanding for a period exceeding six months from the due date.		
Secured, considered good	8,102,103	7,644,656
Secured, considered doubtful	21,069,331	71,569,802
	<u>29,171,434</u>	<u>79,214,458</u>
Other Debts		
Secured, considered good	55,103,300	47,019,331
Secured, considered doubtful	-	1,087,299
	<u>55,103,300</u>	<u>48,106,630</u>
Total	84,274,734	127,321,088

16 Cash and Bank Balances

Particulars	As at	As at
	31 March 2015	31 March 2014
Cash and cash equivalent		
Cash on hand and as imprest	362,107	396,610
Balances with banks		
In current account	32,208,938	97,837,546
Other Bank Balances		
Deposit with original maturity of more than 3 months but residual maturity of less than 12 months	108,892,218	98,571,457
Total	141,463,263	196,805,613

i Reconciliation of bank deposits / balances as shown below :

Particulars	As at	As at
	31 March 2015	31 March 2014
Bank deposits / balances due to mature within 12 months of the reporting date included under 'Other bank balances'	108,892,218	98,571,457
Bank deposits / balances due to mature after 12 months of the reporting date included under 'Other non-current assets'	26,731,368	184,410,304
Total	135,623,586	282,981,761



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

Notes to the financial statements (Continued)
as at 31 March 2015

(Currency: Indian Rupees)

17 Short-term loans and advances

Particulars	As at	
	31 March 2015	31 March 2014
1) Loans to Customers		
a) Finance lease		
Secured, considered good		
Current maturities of long term loans and advances	644,492,151	603,316,676
Others	276,119,044	132,175,503
Doubtful	4,788,997	8,708,892
	<u>925,400,192</u>	<u>744,201,071</u>
b) Loan against hypothecation		
Secured, considered good		
Current maturities of long term loans and advances	612,205,736	383,003,775
Others	147,892,457	118,472,844
Doubtful	1,204,656	7,677,247
	<u>761,302,849</u>	<u>509,153,866</u>
c) Loan against Property		
Secured, considered good		
Current maturities of long term loans and advances	3,041,800	-
	<u>3,041,800</u>	<u>-</u>
2) Other Loans and Advances		
a) Inter Corporate Deposits (Unsecured)		
	-	270,000,000
b) Security deposits to hirers (Unsecured)	35,000	35,000
c) Advance to employees (Unsecured)	1,330,736	3,146,027
d) Prepaid Expenses (Unsecured)	12,604,576	16,465,425
e) Balances with government authorities (Unsecured)		
VAT Input Credit	45,691,844	43,259,391
Service input credit	20,117,820	22,779,835
Advance Income taxes [including TDS and net of provisions of ₹ 225,023,321 (2014 - ₹ 225,987,645)]	7,278,333	5,389,173
	<u>73,087,997</u>	<u>71,428,399</u>
f) Others (Unsecured)		
Balance with suppliers	2,441,921	1,857,338
	<u>2,441,921</u>	<u>1,857,338</u>
Total	<u>1,779,245,071</u>	<u>1,616,287,126</u>

Previous year's figures have been regrouped/reclassified to correspond with the current year classification/disclosure as shown below .

Particulars	Regrouped to		Regrouped from		31 March 2014
	Short term loans and advances	Short term loans and advances	Short term loans and advances	Short term loans and advances	
Finance Lease					
Current maturities of long term loans and advances			Secured Considered goods		603,316,676
Others					132,175,503
Loan against hypothecation					
Current maturities of long term loans and advances			Short term loans		383,003,775
Others			Secured Considered goods		118,472,844

18 Other current assets

Particulars	As at	
	31 March 2015	31 March 2014
Interest accrued on deposits	39,522,603	8,504,565
Reposessed Stock	-	3,168,941
Other assets		
Advances for expenses	5,713,960	1,331,728
Total	<u>45,236,563</u>	<u>13,005,234</u>

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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 2015

(Currency: Indian Rupees)

19 Revenue from operations

Particulars	31 March 2015	31 March 2014
Interest	567,047,864	531,090,335
Other Operating Revenue	6,571,796	3,539,573
Total	573,619,660	534,629,908

Note:

Particulars	31 March 2015	31 March 2014
Interest Income comprises :		
Interest on Finance Lease	351,739,918	364,227,719
Interest on Loan against Hypothecation	198,612,996	160,185,767
Interest on Loan against Property	1,013,991	-
Interest On Inter Corporate Deposits	15,680,959	6,676,849
Total	567,047,864	531,090,335
Other Operating Revenue comprises:		
Origination Fees	4,113,981	1,408,749
Incentives from Dealers	2,457,815	2,130,824
Total	6,571,796	3,539,573

20 Other Income

Particulars	31 March 2015	31 March 2014
Interest Income (Refer note below)	22,727,454	40,118,511
Profit on foreclosure of finance lease	6,495,139	4,795,371
Profit on sale of fixed assets	-	33,277
Sundry balance written back	2,845,468	4,077,993
Miscellaneous Income	10,843,818	4,250,756
Total	42,911,879	53,276,108

Note:

Particulars	31 March 2015	31 March 2014
Interest Income comprises.		
Interest on fixed deposit with banks	22,180,690	39,982,138
Interest-others	546,764	136,373
Total	22,727,454	40,118,511

21 Employee benefit expense

Particulars	31 March 2015	31 March 2014
Salaries and allowances	67,190,941	49,647,370
Contribution to provident, superannuation and gratuity fund	6,986,502	33,396
Staff welfare expenditure	3,009,640	3,451,471
Total	77,187,083	53,132,237

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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 2015

(Currency: Indian Rupees)

22 Finance costs

Particulars	31 March 2015	31 March 2014
Interest expense	135,517,863	287,934,568
Other finance costs	9,027,013	24,167,828
Total	144,544,876	312,102,396

Note:

Particulars	31 March 2015	31 March 2014
Other finance costs comprises:		
Bank charges	949,347	14,155,267
Interest on sales tax	68,403	668,057
Bank guarantee & commission	1,431,607	1,869,504
Commitment Charges	1,948,238	-
Loan processing fees	4,629,418	7,475,000
Total	9,027,013	24,167,828

23 Other expenses

Particulars	31 March 2015	31 March 2014
Contract labour	5,025,362	3,865,435
Rent	20,930,615	21,330,974
Electricity	2,143,577	2,163,814
Travelling and conveyance	6,249,991	4,129,232
Communication expenses	4,049,893	3,697,834
Professional and legal fees	17,318,732	12,740,808
Vehicle running expenses	779,626	625,389
Repairs and maintenance	7,453,264	7,293,438
Insurance premium	14,432,212	14,463,278
Rates & taxes	5,139,438	9,977,536
Brokerage & commission	8,186,775	1,576,900
Printing and stationery	1,420,087	827,536
Software maintenance expenses	203,974	483,185
Loss on sale of fixed assets	45,569	-
Provision for non-performing assets	(63,089,875)	(34,883,746)
Provision for standard assets	3,091,108	(266,441)
Provision for contingencies	(49,035,262)	(55,895,039)
Loss on Foreclosure of commercial vehicle loans	20,286,511	14,205,298
Bad Debts	83,972,431	73,558,525
Sundry balances written off	-	-
Management Fees	8,400,000	8,400,000
Payment to the auditor		
As auditor	1,881,000	1,710,000
In other capacity		
For Certification Work	154,000	293,250
Miscellaneous expenses	6,748,506	6,001,665
Total	105,787,534	96,298,871

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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 2015

(Currency: Indian Rupees)

Note:- 24

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

(i) Claims and Litigations against the Company not acknowledged as debts

Particulars	31 March 2015	31 March 2014
Income tax	181,229,230	163,017,290
Sales tax	31,349,130	9,878,405
Total	212,578,360	172,895,695

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

24.2) Changes in provision :

Particulars	Opening Balance	Provision during the year	Reversal during the year	Closing balance
Provision for non-performing assets	89,043,239	20,796,214	(83,972,431)	25,867,023
Contingencies against standard assets	7,834,351	3,091,108	-	10,925,459
Provision for contingencies	62,799,238	-	(49,035,262)	13,763,975
As on 31st March, 2015	159,676,828	23,887,322	(133,007,693)	50,556,457
As on 31st March, 2014	246,030,642	219,677	(86,573,490)	159,676,828

Notes:

(i) 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.

24.3) Expenditure in foreign currency on accrual basis:

(i) Value of expenses

Particulars	31 March 2015	31 March 2014
Bank guarantee fees	1,431,607	1,869,504
Certification fees	13,517	-
Total	1,445,124	1,869,504

24.4) Segment Reporting

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

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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 2015

(Currency: Indian Rupees)

Note:- 24

24.5) 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:

Particulars	31 March 2015	31 March 2014
Minimum lease payment	2,953,577,360	2,676,614,390
Unearned finance income	556,059,754	505,294,910
Unearned maintenance and insurance income	11,948,704	11,568,120
Present value of minimum lease payments	2,385,568,902	2,159,751,359

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

Particulars	As on		Net present value of MLP
	Gross investment in lease		
Less than one year	31 March 2015	1,224,175,143	928,468,764
	31 March 2014	(1,020,957,806)	(757,050,120)
One to five years	31 March 2015	1,733,929,927	1,461,627,867
	31 March 2014	(1,655,656,583)	(1,417,009,445)
More than five years	31 March 2015	-	-
	31 March 2014	-	-

Figures in brackets relate to previous year.

All initial direct costs are recognised as expenses in the Profit and Loss account at the inception of the lease.

Accumulated provision for uncollectible minimum lease payments receivable is ₹ 4,788,997 (Year ended March 31, 2014 ₹ 8,138,848).

24.6) 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 (loss) / profit after tax by weighted average number of shares for the respective periods as under:

Particulars	31 March 2015	31 March 2014
Net (loss) / profit after tax	197,921,692	87,199,382
Net profit attributable to equity shareholders	197,921,692	87,199,382
Weighted average number of equity shares (of ₹ 10 each) for basic EPS	81,158,124	42,750,057
Basic and Diluted Earnings per share	2.44	2.04

24.7) 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 2015	31 March 2014
A Lease rentals and tax depreciation	468,042,200	390,035,000
B Provision for Non-Performing Assets	17,496,600	54,274,300
C Provision for Leave Encashment & Gratuity	1,277,000	(2,077,300)
D Maintenance Linked Reserve (Refer Note No.2.4 (a) (ii))	4,135,200	3,932,000
Net deferred tax asset	490,951,000	446,164,000

Deferred Tax Asset credited to the Profit & Loss account is ₹ 44,787,000 (Year Ended March 31, 2014 ₹ 73,191,000).

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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 2015

(Currency: Indian Rupees)

Note:- 24

24.8) Employee benefits

Defined contribution plans

The company has paid ₹ 3,200,260 (Year Ended March 31, 2014 ₹ 2,242,695) towards provident fund and superannuation which is recognised as an expenses in the contribution to provident and other funds (Refer Note No.21 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 2015	31 March 2014
Number of employees	119	83
Total monthly salary (Amount in ₹)	2,251,950	1,269,400
Average age	37.53 years	37 years
Average past service	4.62 years	5 years

Assumptions

Particulars	31 March 2015	31 March 2014
Mortality	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount rate	8.07%	9.31%
Rate of increase in compensation	5.00%	5.00%
Rate of return (expected) on plan assets	8.70%	8.70%
Attrition rate		
For services 4 years and below	42.73%	2.00%
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.

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	2015	2014	2013	2012	2011
Defined benefit obligation	7,870,487	5,215,958	6,297,771	5,059,930	3,780,866
Fair value	12,385,734	13,517,447	13,416,328	4,765,389	2,221,523
Surplus/(Deficit)	4,515,247	8,301,489	7,118,557	(294,541)	(1,559,343)
Experience adjustment on plan liabilities	3,004,532	(1,689,074)	(220,956)	286,878	126,980
Experience adjustment on plan assets	(179,465)	(39,735)	331,979	228,999	(177,722)

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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 2015

(Currency: Indian Rupees)

Note:- 24

24.8) Employee benefits (Continued)

Changes in the present value of obligations

Particulars	31 March 2015	31 March 2014
Present value of obligation at beginning of the year	5,215,958	6,297,771
Interest cost	485,606	519,566
Current service cost	660,098	885,787
Benefit paid from the fund	(2,128,266)	-
Actuarial gain on obligations	3,637,091	(2,487,166)
Present value of obligation at end of the year	7,870,487	5,215,958

Changes in fair value of plan assets

Particulars	31 March 2015	31 March 2014
Fair value of plan assets at beginning of the year	13,517,447	13,416,328
Expected return on plan assets	1,176,018	1,167,221
Contributions paid	-	500,000
Transfer From other Company	-	1,399,961
Transfer to other Company	-	(2,926,328)
Benefit paid from the fund	(2,128,266)	-
Actuarial gain on plan asset	(179,465)	(39,735)
Fair value of plan assets at the end of the year	12,385,734	13,517,447

Actuarial (gain) / loss recognised

Particulars	31 March 2015	31 March 2014
Actuarial (gain) / loss for the year (obligations)	3,637,091	(2,487,166)
Actuarial (gain) / loss for the year (plan assets)	179,465	39,735
Total (gain) / loss for the year	3,816,556	(2,447,431)
Actuarial (gain) / loss recognised for the year	3,816,556	(2,447,431)

Amounts to be recognised in the Balance Sheet

Particulars	31 March 2015	31 March 2014
PVO at the end of the year	(7,870,487)	(5,215,958)
Fair value of plan asset at the end of the year	12,385,734	13,517,447
Net asset (liability) recognised in the Balance Sheet	4,515,247	8,301,489

Expense recognised in Statement of Profit and Loss

Particulars	31 March 2015	31 March 2014
Current service cost	660,098	885,787
Interest cost	485,606	519,566
Expected return on plan assets	(1,176,018)	(1,167,221)
Net actuarial (gain) / loss recognised for the year	3,816,556	(2,447,431)
Expenses recognised in the statement of Profit and Loss	3,786,242	(2,209,299)

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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 2015

(Currency: Indian Rupees)

Note:- 24

24.8) Employee benefits (Continued)

Movements in the liability recognised in Balance Sheet

Particulars	31 March 2015	31 March 2014
Opening net liability	(8,301,489)	(7,118,557)
Expenses as above	3,786,242	(2,209,299)
Contribution paid	-	(500,000)
Transfer From other Company	-	(1,399,961)
Transfer to other Company	-	2,926,328
Closing net liability	(4,515,247)	(8,301,489)

In accordance with the guidance released in May 2007, by Accounting Standard Board of the Institute of Chartered Accountants of India, the earned leave which can be carried forward to future periods is bifurcated into "short term" benefit only if the employees are entitled to either encash or utilise the benefits during the period of twelve months following the end of the accounting period and are also expected to do so. In other cases the benefit is required to be treated as "long term".

The actuarial value of the liability amounting to ₹ 21,68,315 (Year ended March 31, 2014 (₹ 1,32,046) has been charged to Profit and Loss account for the year.

24.9) 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 (from 8 Jan, 2013 to date)
Vivek Wadhwa - CFO
Shuchi Singhvi - Company Secretary

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

Particulars	Holding companies	Ultimate Holding Company	Key Management Personnel
Remuneration to Key Management Personnel			
Sandeep Gambhir			NIL (NIL)
Vivek Wadhwa			NIL (NIL)
Shuchi Singhvi			992,272
Inter Corporate Deposit Placed			
ORIX Auto Infrastructure Services Limited	(270,000,000)		
Interest Income on Inter Corporate Deposit			
ORIX Auto Infrastructure Services Limited	15,680,959 (6,676,849)		
Management Charges			
ORIX Auto Infrastructure Services Limited	8,400,000 (8,400,000)		
Interest Expenses			
ORIX Auto Infrastructure Services Limited	1,115,194 (41,350,073)		
Bank guarantee fees			
ORIX Corporation, Japan		1,445,124 (1,869,504)	
Rent Expense			
ORIX Auto Infrastructure Services Limited	13,416,540 (13,416,534)		

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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 2015

(Currency: Indian Rupees)

Note:- 24

24.9) Related parties (Continued)

Particulars	Holding companies	Ultimate Holding Company	Key Management Personnel
Repayment of Loans taken			
ORIX Auto Infrastructure Services Limited	-		
	(465,000,000)		
Equity contribution received			
ORIX Auto Infrastructure Services Limited	-		
	(1,970,534,370)		
Cost reimbursement paid to			
ORIX Auto Infrastructure Services Limited	8,097,772		
	(7,406,436)		

Figures in brackets relate to previous year.

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

Particulars	Holding companies
Inter Corporate Deposits Placed	
ORIX Auto Infrastructure Services Limited	-
	(270,000,000)
Inter company current account balance	
ORIX Auto Infrastructure Services Limited	13,150,685
	(17,801,848)

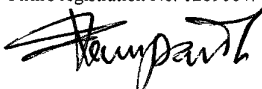
Figures in brackets relate to previous year

24.10) 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 and remaining unpaid and interest paid during the year to such enterprise is NIL.

As per our report of even date attached


For **B S R and Company**
Chartered Accountants
Firm's registration No. 128900W

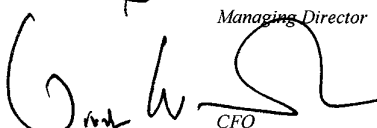



N Sampath Ganesh
Partner
Membership No. 042554

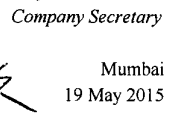
Mumbai
19 May 2015


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


Managing Director


CFO


Director


Company Secretary


Director

Mumbai
19 May 2015

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

Notes to the financial statements (continued)

for the year ended 31 March 2015

(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			
Liabilities side :			
		Amount	Amount
		outstanding	overdue
(1)	Loans and advances availed by the nonbanking financial company inclusive of financial interest accrued thereon but not paid :		
	(a) Debentures : Secured		
	: Unsecured		
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits		
	(c) Term Loans	10,833	
	(d) Inter-corporate loans and borrowing	132	
	(e) Commercial Paper		
	(f) Other Loans (specify nature) Cash Credit & Subordinate Debt pursuant to scheme of reorgan		
	-Cash Credit & short term loans	7,049	-
	-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)	24,174
	(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)	19,370

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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 2015

(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	43,544
	Total	43,544

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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 2014

(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)

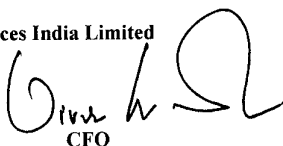
(7) Other information			
Particulars		Amount	
	Gross Non-Performing Assets		
	(a) Related parties		
(i)	(b) Other than related parties	596.37	
	Net Non-Performing Assets		
	(a) Related parties		
(ii)	(b) Other than related parties	337.70	
(iii)	Assets acquired in satisfaction of debt		

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


Managing Director


CFO


Director

