

Toyota Financial Services India Limited
Regd. Office: No.21, Centropolis, First Floor, 5th Cross, Langford Road, Shanti Nagar, Bangalore - 560 025
 CIN: U74900KA2011FLC058752 | www.toyotafinance.co.in
 Tel : +91 80 4344 2800 | Fax: +91 80 4344 2930 | Email : investorrelations@tfsin.co.in

Statement of Unaudited Financial results for the half year ended 30 September 2020

(Amounts are in Rs. Million, except per share data)				
S.No.	Particulars	Half year ended/Year to date period ended		Year ended
		30 September 2020	30 September 2019	31 March 2020
		Unaudited	Unaudited	Audited
1	Revenue			
	(a) Interest Income	3,335.64	3,500.41	6,851.70
	(b) Rental Income	13.41	13.46	32.13
	(c) Fees and commission income	0.78	-	1.45
	(d) Others	109.91	161.11	311.83
	Total revenue from operations	3,459.74	3,674.98	7,197.11
	(e) Other Income	74.17	66.02	152.39
	Total revenue (a+b+c+d+e)	3,533.91	3,741.00	7,349.50
2	Expenses			
	(a) Finance costs	2,063.42	2,382.91	4,575.43
	(b) Net loss on fair value changes	87.97	43.69	356.15
	(c) Impairment on financial instruments	731.60	638.52	1,791.92
	(d) Employee benefit expenses	237.91	215.93	436.89
	(e) Depreciation, amortisation and impairment	49.91	49.23	109.49
	(f) Other expenses	218.77	300.36	634.49
	Total expenses (a+b+c+d+e+f)	3,389.58	3,630.64	7,904.37
3	Profit/ (loss) before tax for the period (1-2)	144.33	110.36	(554.87)
4	Tax expense:			
	(a) Current tax - current year	148.39	129.40	259.77
	- earlier year	30.82	-	-
	(b) Deferred tax charge / (credit)	(139.55)	(19.57)	(317.15)
	Total tax expense (a+b)	39.66	109.83	(57.38)
5	Profit / (loss) after tax for the period (3-4)	104.67	0.53	(497.49)
6	Other comprehensive income (OCI)			
	Items that will not be reclassified to statement of profit or loss			
(i)	Remeasurement of defined benefit plan	0.36	(3.02)	(0.53)
(ii)	Income tax relating to items that will not be reclassified to statement of profit or loss	(0.09)	0.76	0.13
	Total other comprehensive income for the period (net of taxes) (i+ii)	0.27	(2.26)	(0.40)
7	Total comprehensive income / (loss) for the period (5+6)	104.94	(1.73)	(497.89)
8	Paid up equity share capital	9,579.73	9,579.73	9,579.73
9	Earnings per share*			
	(a) Basic EPS (in Rupees)**	0.11	0.01	(0.52)
	(b) Diluted EPS (in Rupees)**	0.11	0.01	(0.52)
	Face value per share (in Rupees)	10.00	10.00	10.00

*Earnings per share for the interim period is not annualized

**rounded off to nearest two decimal points



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Statement of Unaudited Financial Results for the half year ended 30 September 2020 (Continued)

Balance Sheet

(Amounts are in Rs. Million)

S.No.	Particulars	As at	As at
		30 September 2020	31 March 2020
		Unaudited	Audited
A	Assets		
1	Financial assets		
	(a) Cash and cash equivalents	3,460.13	5,371.56
	(b) Derivative financial instruments	59.51	345.76
	(c) Trade receivables	3.10	5.06
	(d) Loans	68,553.94	68,771.44
	(e) Other financial assets	48.65	49.03
	Total financial assets	72,125.33	74,542.85
2	Non-financial assets		
	(a) Current tax assets (net)	261.68	264.58
	(b) Deferred tax assets (net)	735.53	596.07
	(c) Property, plant and equipment	118.74	132.00
	(d) Other intangible assets	41.01	44.20
	(e) Intangible assets under development	82.30	35.92
	(f) Right-of-use assets	131.34	93.45
	(g) Other non-financial assets	97.34	83.93
	Total non-financial assets	1,467.94	1,250.15
	Total Assets	73,593.27	75,793.00
B	Liabilities and Equity		
1	Financial liabilities		
	(a) Derivative financial instruments	82.23	-
	(b) Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	0.42	0.15
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	786.77	421.66
	(c) Debt securities	19,545.19	26,404.12
	(d) Borrowings (other than debt securities)	38,659.52	35,206.59
	(e) Lease liabilities	137.51	100.49
	(f) Other financial liabilities	585.37	0.42
	Total financial liabilities	59,797.01	62,133.43
2	Non-financial liabilities		
	(a) Current tax liabilities (net)	72.37	-
	(b) Provisions	80.32	101.13
	(c) Other non-financial liabilities	18.52	38.32
	Total non-financial liabilities	171.21	139.45
3	Equity		
	(a) Equity share capital	9,579.73	9,579.73
	(b) Other equity	4,045.32	3,940.39
	Total equity	13,625.05	13,520.12
	Total Liabilities and Equity	73,593.27	75,793.00

Notes:

- Toyota Financial Services India Limited ('the Company') is a Non-Banking Finance Company registered with the Reserve Bank of India.
- The above financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the the Companies Act, 2013 ("the Act"), and other recognized accounting practices generally accepted in India and in compliance with Regulation 52 read with Regulation 63 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Any application guidance/clarifications/ directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/ applicable.
- The above unaudited financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 12 November 2020.
- In compliance with Regulation 52 read with Regulation 63(2) of the Securities Exchanges Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a limited review of unaudited financial results for the half year ended 30 September 2020 have been carried out by the Statutory Auditors. The report of the statutory auditors is unqualified.
- Other equity includes Statutory Reserve as per Section 451C of Reserve Bank of India Act, 1934, balance in securities premium and retained earnings.



Statement of Unaudited Financial Results for the half year ended 30 September 2020 (Continued)

- 6 The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the Chief Operating Decision Maker as defined in Ind AS 108 - 'Operating Segments'. The Company is engaged primarily in the business of vehicle financing and there are no separate reportable segments as per Ind AS 108.
- 7 The secured, redeemable, non-convertible debentures of the Company are listed on the wholesale debt market of National Stock Exchange (NSE) and are secured through first ranking exclusive charge by way of hypothecation over the loan receivables.
- 8 Consequent to the outbreak of COVID-19 pandemic, the Indian government had announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the government in a phased manner outside specified containment zones. The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activity, which may persist even after the restrictions related to the COVID-19 outbreak are lifted. While there has been some improvement in economic activities during the half year, the continued slowdown has led to a decrease in loan originations. The slowdown may lead to a rise in the number of customer defaults and consequently an increase in provisions there against.

In accordance with Moratorium policy, framed as per guidelines issued by Reserve Bank of India (RBI) dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package' and approved by Board of Directors of the Company, the Company had granted moratorium on payment of instalments and/or interest, as applicable, falling due between 1 March 2020 and 31 August 2020 to its eligible customers based on requests. In respect of accounts where moratorium benefit has been granted, the staging of those accounts at 30 September 2020 is based on the days past due status considering the benefit of moratorium period. The Company continues to recognize interest income during moratorium period. As per assessment done by the Company and in the absence of other customer related credit risk indicators, the granting of moratorium period does not result in automatically triggering of significant increase in credit risk criteria of Ind AS 109.

As at 30 September 2020, the cumulative amount of management overlay provisions on loan loss towards potential impact of COVID -19 pandemic stood at Rs. 843 million in the financial results. The extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. The Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. The impact of the global health pandemic may be different from that estimated at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

Further, no additional borrower accounts category have been classified as impaired (non-performing assets) which were not declared non-performing till 31 August 2020, in view of the Supreme Court order dated 3 September 2020 (Public Interest Litigation (PIL) by Gajendra Sharma Vs Union of India & ANR). The Company has made a provision of Rs. 73 Million as management overlays on such accounts in the statement of profit and loss for the half year ended 30 September 2020.

- 9 The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified there in and irrespective of whether RBI moratorium was availed or not. The Company has credited ex-gratia amount to its customer. The Company expects the said scheme will not have any material impact on the statement of profit and loss of the Company as the ex-gratia amount will be reimbursed by the Government as per the notification.
- 10 The Indian Parliament has approved the Code on Social Security, 2020 which may impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be determined. The Company will complete their evaluation and will give appropriate impact in the financial statements in the year in which, the Code becomes effective and the related rules to determine the financial impact are notified.
- 11 The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to apply the concessional tax rate and has recognized the provision for income tax and re-measured the net deferred tax assets at concessional rate since 30 September 2019.

- 12 Information as required by Regulation 52 (4) of the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 is as per "Annexure 1" attached

For Toyota Financial Services India Limited

Narayanaswamy Raja
Managing Director & CEO

Place: Bangalore

Date: 12 November 2020



Toyota Financial Services India Limited**Annexure I****Additional Information****a) Credit rating**

ICRA Limited (ICRA) and CRISIL Limited (CRISIL) have assigned the following ratings to the Company:

Facility	CRISIL	ICRA
Commercial Papers	A1+	A1+
Non-Convertible Debentures	AAA/Stable	AAA/Stable
Working capital loans from banks	AAA/Stable	-
Long term loans from banks	-	AAA/Stable
Short term loans from banks	-	A1+

b) Asset cover available***

Not applicable

c) Debt-Equity ratio*

The debt-equity ratio of the Company as per the financial results reviewed by the statutory auditors for the half year ended 30 September 2020 is 4.27

d) Previous due date for the payment of interest / dividend for non-convertible redeemable preference shares / repayment of principal of non-convertible preference shares / non-convertible debt securities and whether the same has been paid or not.

All previous dues with respect to debentures were paid on due date (Refer Appendix A). The Company has not issued any non-convertible redeemable preference shares.

e) Next due date for the payment of interest / dividend of non-convertible preference shares / principal along with the amount of interest / dividend of non-convertible preference shares payable and the redemption amount.

The Company has not issued any non-convertible redeemable preference shares.

f) Debt service coverage ratio***

Not applicable

g) Interest service coverage ratio***

Not applicable

h) Outstanding redeemable preference shares (quantity and value)

Not applicable

i) Capital redemption reserve / Debenture redemption reserve

Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies

j) Net worth

Rs 13,625.05 millions

k) Net profit after tax

Rs 104.67 millions

l) Earnings per share**

- a. Basic - Rs 0.11
- b. Diluted - Rs 0.11

* Debt equity ratio is (Debt securities + Borrowings + Subordinated liabilities) / Net worth

** Not annualised and rounded off to two decimal points

*** The requirement of disclosures of debt service coverage ratio, asset cover and interest service coverage ratio is not applicable to the Company as it is a non banking financial company registered with the Reserve Bank of India.



Toyota Financial Services India Limited

Appendix A - Statement of interest and principal on non convertible debentures/CP falling due and paid during FY 2020-21 till 30.09.2020

Sr. No	ISIN	NCD/CP Series	Previous interest payment due date	Whether Interest paid	Previous principal repayment due date	Whether principal repaid	Next interest payment due date	Next principal repayment due date
1	INE692Q07159	Series 12	27-Apr-20	Yes	27-Apr-20	Yes	NA	NA
2	INE692Q07183	Series 15	30-Jun-20	Yes	30-Jun-20	Yes	NA	NA
3	INE692Q07191	Series 16	29-Jun-20	Yes	29-Jun-20	Yes	NA	NA
4	INE692Q07241	Series 21	29-May-20	Yes	29-May-20	Yes	NA	NA
5	INE692Q07209	Series 17	14-Jul-20	Yes	NA	NA	12-Jan-21	12-Jan-21
6	INE692Q07225	Series 19	NA	NA	NA	NA	NA	26-Feb-21
7	INE692Q07258	Series 22	28-Jan-20	Yes	NA	NA	28-Jan-21	28-Jan-22
8	INE692Q07274	Series 23	NA	NA	NA	NA	17-Mar-21	16-Jun-23
9	INE692Q07282	Series 24	NA	NA	NA	NA	4-Jun-21	30-May-22
10	INE692Q07290	Series 25	NA	NA	NA	NA	21-Aug-21	28-Jul-22
11	INE692Q14AH0	CP/FY19-20/08	NA	NA	NA	NA	16-Oct-20	16-Oct-20
12	INE692Q14AI8	CP/FY19-20/09	31-Aug-20	Yes	31-Aug-20	Yes	NA	NA
13	INE692Q14AK4	CP/FY20-21/01	25-Sep-20	Yes	25-Sep-20	Yes	NA	NA
14	INE692Q14AL2	CP/FY20-21/02	28-Sep-20	Yes	28-Sep-20	Yes	NA	NA

