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Independent Auditors' Report on Annual Financial Results of Toyota Financial Services India Limited for the year ended 31 March 2019 pursuant to Regulation 52 read with Regulation 63 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of
Toyota Financial Services India Limited

1. We have audited the accompanying annual financial results of Toyota Financial Services India Limited ("the Company") for the year ended 31 March 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 read with Regulation 63 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that figures for the half year ended 31 March 2019 and the corresponding half year ended in the previous year as reported in these annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures for the half year ended 30 September of the relevant financial year. Also the figures up to the end of the half year ended 30 September of the relevant financial year had only been reviewed and not subjected to audit.
2. Attention is drawn to the fact that the figures for the corresponding half year and year ended 31 March 2018 are based on the previously issued annual financial results and annual financial statements that were audited by the predecessor auditors (vide their unmodified audit report of 24 May 2018), as adjusted for differences in the accounting principles adopted by the Company on transition to Indian Accounting Standards ("Ind AS"), which has been audited by us. These adjustments reconcile the net profit for the corresponding half year and year ended 31 March 2018 and the net profit for and equity as at the end of the corresponding period 31 March 2018, under the previously applicable Generally Accepted Accounting Principles with the total comprehensive income and equity as reported in these annual financial results under Ind AS.
3. These annual financial results have been prepared on the basis of the annual financial statements and reviewed half yearly financial results which are the responsibility of the Company's Management and approved by the Board of Directors in their meeting held on 28 May 2019. Our responsibility is to express an opinion on these annual financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 52 read with regulation 63 (2) of the Listing Regulations.
4. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as annual financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

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Independent Auditors' Report on Annual Financial Result of Toyota Financial Services India Limited for the year ended 31 March 2019 pursuant to Regulation 52 read with Regulation 63 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

5. In our opinion and to the best of our information and according to the explanations given to us these annual financial results:
- (i) are presented in accordance with the requirements of Regulation 52 read with Regulation 63(2) of the Listing Regulations in this regard; and
 - (ii) give a true and fair view of the net profit and other comprehensive income and other financial information for the year ended 31 March 2019.

for B S R & Associates LLP

Chartered Accountants

Firm's Registration No. 116231 W / W-100024



N Sampath Ganesh

Partner

Membership No. 042554

Place: Mumbai
Date: 28 May 2019

Statement of Audited Financial Results for the Half year and year ended 31 March 2019

(Amounts are in Rs. Million, except per share data)

S.No.	Particulars	Half year ended		Year ended	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
		(Audited)*	(Audited)*	(Audited)	(Audited)
1	Revenue				
	(a) Interest Income	3,373.04	3,244.48	6,687.44	6,465.48
	(b) Rental Income	6.51	-	9.33	-
	(c) Others	142.92	112.23	300.07	211.69
	Total revenue from operation	3,522.47	3,356.71	6,996.84	6,677.17
	(d) Other Income	71.35	40.47	132.15	41.95
	Total revenue (a+b+c+d)	3,593.82	3,397.18	7,128.99	6,719.12
2	Expenses				
	(a) Finance costs	2,299.35	2,016.50	4,462.17	3,996.30
	(b) Impairment on financial instruments	806.36	438.42	1,028.45	1,108.16
	(c) Employee benefits expense	211.00	176.32	412.47	358.22
	(d) Depreciation, amortisation and impairment	16.40	14.93	30.42	30.13
	(e) Other expenses	270.41	320.74	646.13	609.69
	Total expenses (a+b+c+d+e)	3,603.52	2,966.91	6,579.64	6,102.50
3	Profit/ (loss) before tax (1-2)	(9.70)	430.27	549.35	616.62
4	Tax expense:				
	(a) Current tax	(50.00)	104.00	134.50	352.50
	(b) Deferred tax charge	53.90	60.20	56.63	(133.80)
	Total tax expense (a+b+c)	3.90	164.20	191.13	218.70
5	Profit / (loss) after tax (3-4)	(13.60)	266.07	358.22	397.92
6	Other comprehensive income (OCI)				
	Items that will not be reclassified to statement of profit or loss				
(i)	Remeasurement of defined benefit plan	(0.44)	0.51	(0.15)	0.26
(ii)	Income tax relating to items that will not be reclassified to statement of profit or loss	0.05	(0.09)	0.05	(0.09)
	Total other comprehensive income for the year (net of taxes) (i+ii)	(0.39)	0.42	(0.10)	0.17
7	Total comprehensive income / (loss) for the year (5+6)	(13.99)	266.49	358.12	398.09
8	Paid up equity share capital	9,579.73	9,579.73	9,579.73	9,579.73
9	Capital adequacy ratio	18.59%	19.56%	18.59%	19.56%
10	NPA ratio				
	(a) Gross NPA (%)	2.21%	3.41%	2.21%	3.41%
	(b) Net NPA (%)	0.98%	1.72%	0.98%	1.72%
11	Earnings per share				
	(a) Basic EPS (in Rupees) #	(0.01)	0.28	0.37	0.43
	(b) Diluted EPS (in Rupees) #	(0.01)	0.28	0.37	0.43
	Face value per share (in Rupees)	10	10	10	10

Refer Note no 9

* Refer Note no 13



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Statement of Audited Financial Results for the Half year and year ended 31 March 2019

(Amounts are in Rs. Million)

S.No.	Particulars	As at	As at
		31 March 2019	31 March 2018
		(Audited)	(Audited)
A	Assets		
1	Financial assets		
	(a) Cash and cash equivalents	2,902.36	1,086.01
	(b) Trade receivables	27.89	23.94
	(c) Loans	74,348.11	69,058.96
	(d) Other financial assets	34.58	30.36
2	Non-financial assets		
	(a) Current tax assets (net)	172.89	41.40
	(b) Deferred tax assets (net)	274.56	331.15
	(c) Property, plant and equipment	103.19	43.57
	(d) Other intangible assets	46.50	30.93
	(e) Intangible assets under development	11.39	3.33
	(f) Other non-financial assets	105.03	54.49
	Total Assets	78,026.50	70,704.14
B	Liabilities and Equity		
1	Financial liabilities		
	(a) Payables		
	Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	0.21	1.25
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,064.59	748.56
	(b) Debt securities	41,631.30	45,483.00
	(c) Borrowings (other than debt securities)	21,010.37	10,582.98
	(d) Other financial liabilities	188.72	125.97
2	Non-financial liabilities		
	(a) Provisions	52.72	49.37
	(b) Other non-financial liabilities	54.04	46.58
3	Equity		
	(a) Equity share capital	9,579.73	9,579.73
	(b) Other equity	4,444.82	4,086.70
	Total Liabilities and Equity	78,026.50	70,704.14



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Notes:

- 1 The Company is a Non-Banking Finance Company registered with the Reserve Bank of India.
- 2 The audited financial results for the year ended 31 March 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 28 May 2019.
- 3 The statutory auditor have carried out audit of the annual financial results as required under Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 ("Listing Regulation") and have issued an unmodified opinion thereon.

Audit of financial results under the previous GAAP for the half year and year ended 31 March 2018 was carried out by the predecessor statutory auditor who has issued an unmodified report thereon.

- 4 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind-AS from 1 April 2018 with effective transition date of 1 April 2017 and accordingly, these financial results together with the results from the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind-AS, prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

The transition to Ind-AS has been carried out from the erstwhile Accounting Standards notified under the Act read with rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the Reserve Bank of India ("RBI") and other Generally Accepted Accounting Principles in India (collectively referred to as "the previous GAAP"). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017 and the corresponding adjustments pertaining to comparative previous year as presented in these financial results have been restated / reclassified in order to conform to current period presentation.

These financial results have been drawn up on the basis of Ind-AS that are applicable to the Company as at 31 March 2019 based on the Press Release issued by the Ministry of Corporate Affairs on 18 January 2016. Any application guidance/clarifications/directions issued by RBI or other regulators are implemented as and when they are issued/applicable.

The comparative financial information of the Company for the year ended 31 March 2018 and the transition date opening balance sheet as at 1 April 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2018 and 31 March 2017 dated 24 May 2018 and 26 May 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by our present statutory auditor.

- 5 The Company's sole business segment is 'Vehicle and Other Financing' and principal geographical segment is 'India'. The Company considers business segment as the primary segment and geographical segment based on location of customers as a secondary segment. Since the Company has a single business segment and a single geographical segment, accordingly there are no separate reportable segment in accordance with Ind-AS "Operating Segment".
- 6 As required by Paragraph 32 of Ind AS 101, the reconciliation of net profit, between the figures reported under previously GAAP and Ind- AS is as under:

(Amounts are in Rs. Million)		
Particulars	Half Year ended 31 March 2018 (Audited) *	Year ended 31 March 2018 (Audited)
Net profit after tax as per previous GAAP	301.93	340.61
Adjustment resulting in increase / (decrease) in profit after tax as reported under previous GAAP		
(a) Impact on financial assets pursuant to application of effective interest rate method	3.32	63.43
(b) Impact in financial liabilities pursuant to application of effective interest rate method	(1.57)	(0.74)
(c) Impact on provision for expected credit loss	(38.88)	25.40
(d) Impact of fair valuation of financial asset carried through profit and loss	(0.07)	(0.18)
(e) Remeasurement gains (losses) on defined benefit plans (net of tax)	(0.60)	(0.17)
(f) Tax impact on above adjustments	1.93	(30.42)
Net profit after tax as per IND AS	266.06	397.93
Remeasurement gains (losses) on defined benefit plans (net of tax)	0.42	0.17
Total comprehensive income under IND AS	266.48	398.10

* Refer Note no. 13

- 7 As required by Paragraph 32 of Ind AS 101, the equity reconciliation the figures reported under previously GAAP and Ind-AS is as under:

(Amounts are in Rs. Million)	
Particulars	Year ended 31 March 2018 (Audited)
Equity as reported under previous GAAP	13,377.00
Adjustment resulting in increase / (decrease) in profit after tax as reported under previous GAAP	
(a) Impact on financial assets pursuant to application of effective interest rate method	302.72
(b) Impact in financial liabilities pursuant to application of effective interest rate method	37.07
(c) Impact on provision for expected credit loss	103.23
(d) Impact of fair valuation of financial asset carried through profit and loss	(0.41)
(e) Tax impact on above adjustments	(153.18)
Equity as per IND AS	13,666.43



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- 8 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 I' attached.
- 9 Earnings per equity share for the half year ended 31 March 2019 and 31 March 2018 have not been annualized.
- 10 The Company has issued secured, redeemable, non-convertible debentures on private placement basis, listed on the wholesale debt market of National Stock Exchange (NSE). These Debentures are secured through first ranking exclusive charge by way of hypothecation over the loan receivables.
- 11 Reserves include Statutory Reserve as per Section 451C of Reserve Bank of India Act, 1934 balance in securities premium and retained earnings.
- 12 During the year, company has issued Masala Bond (INR denominated bond) as per ECB regulation framework amounting to Rs. 3,550 million for a tenure of 3 years.
- 13 The figures for the half year ended 31 March 2019 and the corresponding half year ended in the previous year as reported in these annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures for the half year ended 30 September of the respective financial years.
- 14 Previous period figures have been regrouped and reclassified, wherever necessary, to make them comparable with current half year figures.

for Toyota Financial Services India Limited



Tomohei Matsushita
Managing Director & CEO

Place: Bangalore
Date: May 28, 2019

