

7th
ANNUAL
REPORT
2017-18



TOYOTA FINANCIAL SERVICES INDIA LIMITED

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MD & CEO MESSAGE

Dear Members,

Firstly, I would like to thank you for your continued support and understanding. We have completed 7 successful years of operations in India by creating benchmark increase in sales by 13.62% in financial year 2017-18 as compared to the sales of previous financial year.

TFSIN strives to be the most preferred car finance partner for Toyota enthusiasts in India. It is a great pleasure to report that, currently, TFSIN renders financial services with consumer friendly financial products to our aspired applicants, within a turnaround time of 8 hours. It's a pleasure to continue our mission to keep our customers happy and to this effect, we are actively working on further reducing the turnaround time of loan processing.



TOMOHEI MATSUSHITA
MD & CEO

We have expanded TFSIN's geographic coverage and; as of March 2018, we have presence at 184 outlets contributing to 84.8% of overall Toyota sales in India. We have also had the privilege to launch financial services for Lexus cars successfully.

We have also been focusing on building strong workforce based on the principles of 'Toyota Way' and 'TFSIN values' by encouraging a culture of Kaizen. You can find more details of our business in our appended Board's Report.

We thank all the stakeholders and customers for upholding your trust on us and we continue to serve you better and progress towards best class financial service organization.

Best Wishes
Tomohei Matsushita
MD & CEO

CORPORATE INFORMATION
CIN: U74900KA2011FLC058752

REGISTERED OFFICE ADDRESS:

Toyota Financial Services India Limited
No. 21, 1st Floor, 5th Cross, Centropolis
Langford Road, Shanthi Nagar
Bangalore - 560025

STATUTORY AUDITORS:

Price Waterhouse
252, Veer Savarkar Marg, Shivaji Park,
Dadar (West), Mumbai – 400 028

SECRETARIAL AUDITORS:

V. Sreedharan and Associates
Practicing Company Secretaries
No. 32/33, 1st and 2nd Floor, GNR
Complex, 8th Cross, Wilson Garden,
Bengaluru – 560 027

INTERNAL AUDITORS:

P.S. Sridhar
Vice President, Internal Audit (In house)

DEBENTURE TRUSTEE:

Vistra ITCL (India) Ltd.
IL & FS Financial Centre,
Plot No C – 22, G Block Bandra
Kurla Complex,
Bandra (East) Mumbai – 400 051

**COMPANY SECRETARY & COMPLIANCE
OFFICER:**

Ms. Reena Mary

BANKERS:

Axis Bank Ltd.
Bank of America
BNP Paribas
CITI Bank N.A.
Credit Agricole Corporate & Investment
Bank
Deutsche Bank
HDFC Bank Ltd.
ICICI Bank Ltd.
ING Vysa Bank Limited
JP Morgan Chase Bank
Kotak Mahindra Bank
Mizuho Bank Ltd.
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
The Hong Kong and Shanghai Banking
Corporation Limited
The Royal Bank of Scotland

BOARD'S REPORT

Dear Members,

Your Directors are pleased to hereby present the report on the performance and affairs of your Company for the financial year ended March 31, 2018.

Report on the Performance and Financial Position:

Your Directors are pleased to report that the Company made profit after taxes of Rs. 340.61 Million during the financial year under review.

The summary of financial results of your Company for the financial year ended March 31, 2018 is hereunder:

PARTICULARS	<i>(Amount In INR Millions)</i>	
	Year ended March 31, 2018	Year ended March 31, 2017
Total Income	6997.49	6013.58
Expenditure	6468.51	5257.62
Profit / (Loss) Before Taxation	528.98	755.96
Profit / (Loss) After Taxation	340.61	489.56
Profit / (Loss) Carried to Balance Sheet	340.61	489.56

Summary of financial and operational performance of your Company is reported in detail in the Management's Discussion and Analysis Report appended hereto as **Annexure - 1**.

Share Capital:

During the reporting period, the Authorized share capital of the Company was increased from 8,638,553,100 (Rupees Eight Billion Six Hundred Thirty Eight Million Five Hundred Fifty Three Thousand One Hundred only) to Rs. 9,579,729,570 (Rupees Nine Billion Five Hundred Seventy Nine Million Seven Hundred Twenty Nine Thousand Five Hundred Seventy Only) for infusion of additional capital to the tune of Rs. 941,176,470 (Rupees Nine Hundred Forty One million One Hundred Seventy Six Thousand Four Hundred Seventy Only) for meeting the expanding business needs. The Company issued 94,117,647 equity shares of Rs. 10 (Rupees Ten only) each at a premium of Rs. 7 (Rupees Seven only) each to Toyota Financial Services Corporation, Japan via Private Placement Preferential Allotment on July 19, 2017 in pursuance of resolution passed at Extra-ordinary General Meeting dated July 03, 2017.

The present paid up capital of the company is Rs. 9,579,729,570 (Rupees Nine Billion Five Hundred Seventy Nine Million Seven Hundred Twenty Nine Thousand Five Hundred Seventy Only).

Amount carried to Reserves:

An amount of Rs. 68,122,160/- (Rupees Sixty Eight Million One Hundred and Twenty Two Thousand One Hundred and Sixty only) has been transferred from surplus of profits towards Statutory Reserve fund in terms of Section 45-IC of the Reserve Bank of India Act, 1934.

Statutory reserve represents the reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934. Under Section 45-IC, the Company is required to transfer sum not less than twenty percent of its net profits every year. The statutory reserve can be utilized for the purposes as specified by the Reserve Bank of India from time to time.

Dividends:

Your Board of Directors do not recommend any dividend this year in pursuit of expanding the business.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

As there is no unpaid/unclaimed dividend, the company was not required to transfer any amount to Investor Education and Protection Fund.

Material changes affecting the financial position:

There have been no Material changes and commitments, affecting the financial positions of the Company which have occurred during the financial year ended March 31, 2018 and as on the date of this report i.e. July 11, 2018.

Change in nature of the Business (if any):

The company has continued the business of vehicle financing during the reporting period and hence there was no change in the nature of the Business carried out.

Statutory Disclosures on Remuneration of Employees:

A statement containing the name and other particulars of employees in accordance with the provisions of Section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure -2** to this report.

Change in Directors and Key Managerial Personnel

During the year under review, following changes took place in directors and key managerial personnel of the Company:

- Mr. Raman Rengan resigned as Independent Director on May 26, 2017.
- Ms. Asha Sampath was appointed as Additional Independent Director with effect from May 27, 2017, to hold office till ensuing Annual General Meeting and Annual General Meeting held on August 27, 2018 she was confirmed as an independent director.
- Mr. Akitoshi Takemura role as an additional director changed to Director with effect from August 29, 2017
- Mr. Akihiko Sekiguchi resigned as Chief Financial Officer on December 27, 2017
- Mr. Akitoshi Takemura resigned as Director on January 03, 2018

- Mr. Atsushi Oki was appointed as Additional Director with effect from February 1, 2018, to hold office as additional director till ensuing Annual General Meeting.
- Mr. Norimasa Ogawa was appointed as Chief Financial Officer with effect from February 22, 2018.

Your Board of Directors would like to place on record its appreciation for the valuable service and guidance provided by Raman Rengan, Akihiko Sekiguchi and Akitoshi Takemura during their tenure with the Company.

Below is the list of directors and Key Managerial personnel as on March 31, 2018:

Name of the Directors & KMP	Designation	Date of Appointment
Mr. Tomohei Matsushita	Managing Director and Chief Executive Officer	January 1, 2016
Mr. Atsushi Oki	Additional Director	February 1, 2018
Mr. Kazuki Ogura	Non-Executive Director	February 9, 2016
Mr. Akito Tachibana	Non-Executive Director	April 1, 2016
Ms. Renu Lata Rajani	Independent Director	March 13, 2015
Ms. Asha Sampath	Independent Director	May 27, 2017
Mr. Norimasa Ogawa	Chief Financial Officer	February 22, 2018
Ms. Reena Mary	Company Secretary	August 30, 2016

Retirement of Directors by Rotation:

Mr. Kazuki Ogura, retired by rotation in last Annual General Meeting and being eligible, offered himself for re-appointment, and got re-appointed as a director of the company.

Board and Committee Meetings held during the Financial Year:

Board Meetings	May 26, 2017, July 03, 2017, August 29, 2017, November 10, 2017 and February 22, 2018
Audit Committee meetings	May 26, 2017, July 03, 2017, August 29, 2017, November 10, 2017 and February 22, 2018
Nomination & Remuneration Committee Meetings	May 26, 2017, August 29, 2017 and February 22, 2018
CSR Committee Meetings	May 26, 2017, November 10, 2017 and February 22, 2018

All the Board and Committee Meetings were duly convened and held and also the minutes of the same has been properly recorded.

Details of Board and Committees:

The list of Directors on the Board and its committees as on 31st March 2018 is as under:

Directors	BOD	Audit Committee	Nomination & remuneration Committee	Corporate Social Responsibility Committee
Tomohei Matsushita (MD & CEO)	✓	x	x	✓ (Chairman)
Kazuki Ogura (Non-executive Director)	✓	x	x	x
Akito Tachibana (Non-executive Director)	✓	x	✓	x
Atsushi Oki (Additional Director)	✓	✓	✓ (Chairman)	✓
Asha Sampath (Independent Director)	✓	✓ (Chairman)	✓	x
Renu Rajani (Independent Director)	✓	✓	✓	✓

Directors' Responsibility Statement as per Section 134(3)(C):

In compliance with Section 134(3)(c) of the Companies Act, 2013, your Directors confirm and state as follows:

- That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That your Directors have selected such accounting policies and have 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 or loss of the Company for the period under review.
- That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the annual financial statements have been prepared on a going concern basis
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively
- The director had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Details of Appointment of Women Director:

As per Section 149(1) of the Companies Act, 2013 your Company has appointed Ms. Renu Rajani and Ms. Asha Sampath as independent directors on the Board of the Company.

Details of appointment of Independent Director and Declaration given by Independent Director:

Ms. Renu Rajani and Ms. Asha Sampath have given the declaration under sub- section 3(d) of Section 134 read with Section 149(6) of the Companies Act, 2013. The declarations were placed before the Board and the same were taken on records.

Company's Policy on Director's Appointment and Remuneration:

In compliance with the provision of Section 178(3), the Company has a policy on Director's appointment, re-appointment and evaluation policy that provides the criteria to be followed for appointment of Director. The policy also provides for performance evaluation of every Director and of the Board as a whole. Some of the major criteria for appointment / continuing to hold appointment as a director on the Board under this policy are:

- Director must be 'Fit and Proper' for appointment as a Director on the Board of Toyota Financial Services India Limited.
- In order to conduct such due diligence to ascertain if the Director is 'Fit and Proper', the incumbent Directors must provide a declaration in the format specified by the Reserve Bank of India ('RBI') initially at the time of appointment and thereafter annually and also whenever there is a change in the information already provided by them in the previous declaration.
- The Nomination and Remuneration Committee may demand for any more information as it may deem necessary to conduct the due diligence.
- Director must have relevant qualification and/ or expertise and/ or track record in Finance/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations or the other disciplines related to company's business.
- Director should possess the highest personal and professional ethics, integrity and values.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.
- The appointed Directors must enter into a deed of covenant with the Company as per the format provided by RBI from time to time.

The policy provides for additional criteria for appointment of Independent Directors to ensure an Independent Director should meet all criteria of Independence specified in Section 149(7) of the Companies Act, 2013 and rules made thereunder.

Subsidiary Companies:

Your Company does not have any subsidiary Companies.

Deposits:

Your Company being a Non-Deposit Accepting Non-Banking Financial Company (NBFC – ND), the provisions of Chapter V of the Companies Act, 2013 on disclosure of deposits taken are not applicable.

Particulars of Loans, Guarantees or Investments under Section 186 Of the Companies Act, 2013

Pursuant to Section 186(11) (a) of the Companies Act, 2013 (the 'Act') read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a Non- Banking Financial Company (NBFC) registered with the Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such, the particulars of loans and guarantee have not been disclosed in this Report.

Related Party Transactions:

The particulars of contracts or arrangements with related parties referred to in Section 188 (1) of Act are provided in the Form AOC-2 under **Annexure -3** which forms part of this Report.

The Company continues to place all Related Party Transactions before the Audit Committee for approval as per the Policy on related party transaction approved by your Board of Directors. Details of all related party transactions are provided along with the financials of the reporting year. Also, the policy adopted on Related Party Transactions has been placed on the website of the Company.

There is no transaction or pecuniary relationship with the non-executive directors apart for that stated in Section V of **Annexure- 3** forming part of this Report.

Extracts of the Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 in terms of clause a of sub section 3 of Section 134 is annexed herewith as **Annexure - 4**

Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

(A) Conservation of energy and Technology absorption:

Since the Company is not in an energy intensive industry and doesn't own a facility, the particulars as prescribed under Rules 8 (3) of the Companies (Accounts) Rules, 2014 are not set out in the report. Nevertheless, the Company continues taking adequate steps to conserve energy.

Company continues to evaluate new technologies and techniques to make the infrastructure more energy-efficient.

(B) Foreign exchange earnings and Outgo:

<i>Foreign Exchange Earnings (INR In Millions)</i>	<i>Foreign Exchange Outgo (INR In Millions)</i>
0	17.86

Details of Risk Management Policy as per Section 134 (3) (n):

In the opinion of the board, there are no risks which may threaten the existence of the Company. Risk Management System is detailed in the Management Discussion and Analysis Report.

Corporate Social Responsibility:

The Company continues to have in place duly constituted Corporate Social Responsibility ('CSR') Committee as per the provisions of Section 135(1) of the Companies Act, 2013. The members of CSR Committee at present are Mr. Tomohei Matsushita, Mr. Atsushi Oki and Ms. Renu Rajani.

An amount of Rs. 12,637,443 (Rupees Twelve Million Six Hundred and Thirty Seven Thousand Four Hundred and Forty Three only) was budgeted towards CSR activities for undertaking the same in the reporting period in terms of the legal requirement. The Company has spent Rs. 12,650,000 (Twelve Million Six Hundred and Fifty Thousand only). Detailed report on the activities undertaken during the reporting period is attached as **Annexure - 5** to this report.

Performance Evaluation of the Board and its Committee:

In accordance with the policy for Directors Appointment, Re-Appointment and Evaluation adopted on August 29, 2017, the Board and Committees were evaluated during the reporting year as below:

Evaluation of Performance by Board Of Directors	Evaluation By Nomination And Remuneration Committees	Evaluation By Independent Directors
Board as a whole	Individual directors	Non-independent directors
Committees of board of directors	-	Board as a whole
Individual directors	-	Chairperson of the company
Independent directors	-	-

- Independent directors' were evaluated based on criteria like Participation in Board/ Committee Meeting, Managing Relationship, Knowledge and Skill and Personal Attribution.
- Managing Director was evaluated based on the criteria like Leadership, Strategy Formulation, Strategy Execution, Financial Planning/ Performance, Relationship with Board, Human Resource Management / Relations, External Relationship, Product Knowledge and Personal Quality.
- Other Non- Independent Directors were evaluated based on the criteria like Knowledgeability, Diligence and Participation and Leadership.

Performance evaluation report of all the directors was taken on record by Board of directors and Nomination and Remuneration Committee at their meeting held on February 22, 2018.

Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals: (If Any)

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Disclosure under the Sexual Harassment of the Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has in place Policy on Prevention of Workplace Harassment ('Policy') in line with the requirements of the Sexual Harassment of the Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. No cases of sexual harassment have been reported to nor investigated by the Internal Complaints Committee during the year under review.

Details of Vigil Mechanism:

Your Company has framed and implemented a Whistle Blower Policy and Anti Bribery Policy. Your Company continues to conduct regular workshops and training sessions to inform and educate the employees about these policies. During the year 2017-18 no incident was reported under these policies.

Appointment of Statutory Auditors:

M/s Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E), were appointed as Statutory Auditors for a period of 4 years in the last Annual General Meeting held on August 29, 2017.

Audit Observation:

The Auditors' Report is self-explanatory and has no qualification or adverse remarks.

Appointment of Secretarial Auditor and the Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s V Sreedharan and Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company.

The Secretarial auditors have conducted the secretarial audit for the financial year 2017-18 and have provided their report in form MR- 3, which is annexed to the report as **Annexure - 6**. There are no adverse or negative remarks in the Secretarial Audit Report.

RBI Guidelines:

Your company is registered with Reserve Bank of India (RBI), as a non-deposit accepting NBFC (NBFC-ND) under Section 45-IA of RBI Act, 1934. As per Non-Banking Finance Companies RBI Directions, 1998, the Directors hereby report that the company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

General Disclosures:

Your Directors state that no transaction of below mentioned items took place during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.

- Issue of sweat equity shares.
- Disclosures required under Section 67 of the Companies Act, 2013

Acknowledgement:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For Toyota Financial Services India Limited	For Toyota Financials Service India Limited
 Tomohei Matsushita Managing Director Date: July 11, 2018 Place: Bangalore	 Akito Tachibana Director Date: July 11, 2018 Place: Bangalore

ANNEXURE- 1

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS ENVIRONMENT:

World Economy:

World economy continues to grow at a robust pace, aided by upswing in global investment and trade. As per IMF estimates, global GDP growth was 3.8% in 2017, and poised to reach 3.9% in both 2018 and 2019 before decelerating in 2020. Two factors which influenced world economy largely in FY18 would be continuation of protectionist trade policies & possibilities of trade wars against the background of increase in tariffs by USA and retaliation by China; and the recovery in crude oil prices.

Changes in monetary policy mix of Advanced Economies - monetary policy tightening and fiscal policy loosening in the US, and possibly in Eurozone going ahead—are expected to result in a faster-than-previously-anticipated increase in global interest rates, and affect capital flows to Emerging Market economies, an example being the recent outflow of foreign portfolio investment from India and INR depreciation. Going ahead, global interest rates are expected to continue to increase, specifically driven by faster-than-expected US growth outlook and faster pace of rate hikes in US. Eurozone is also expected to end accommodative monetary policy stance by end 2018. For Emerging Market economies, external financing conditions have become tighter, and FDI and portfolio flows are expected to moderate, following from rise in global interest rates and US Dollar appreciating against most Emerging Market currencies. Threats of trade wars and geo-political risks (e.g. Iran) remain the other major risk factor to global growth.

Indian Economy:

FY17-18 can be said to be a mixed bag for the Indian economy. GDP growth was reduced to 6.7% in FY18 as compared to 7.1% in FY17, mainly due to the impact of Demonetization & GST implementation, however these transient impacts seem to be fading. Improving GST collections, green shoots in manufacturing, increasing automobile / commercial vehicle sales, improvement in IIP data, etc. point towards revival of GDP growth, which is expected to grow to 7.4% in FY19. Key policy measures, such as PSU Bank recapitalization and Insolvency and Bankruptcy Code (IBC) are being implemented and is expected to strengthen the banking sector, which today is struggling under the burden of high proportion of bad loans from the corporate sector.

Inflation as measured by the Consumer Price Index (CPI) remained on an average of 3.6% in FY18, as compared to 4.5% in FY17, however CPI is expected to increase going ahead, on account of hardening in Core Inflation as well as increase in crude prices. On the Fiscal Policy side, Govt. was compelled to revise the Fiscal Deficit target for FY18 upwards to 3.5%, in order to boost the economy post GST implementation. Going ahead, upward risks to Fiscal Deficit could emerge from higher govt. spending towards infrastructure and possible reduction on tax collections if crude oil remains at a high level.

On the monetary policy front, RBI has increased Repo Rate by 25 bps to 6.25% for the first time in over 4 years, considering the impact of rising CPI and Core Inflation. Current Account Deficit (CAD) also

increased substantially to 1.9% of GDP for FY18, driven mainly by increase in both crude oil and non-oil imports, as well as exports not increasing. INR depreciation is also driven by concerns of twin deficits, as well as reducing foreign portfolio outflows.

The chief risk factors to India's growth going ahead are increasing overall Fiscal Deficit, increasing crude oil prices & concerns on revival of twin deficits (Fiscal Deficit – Current Account deficit) and increasing NPAs in the banking sector. Currently under the Prompt Corrective Action (PCA) framework of RBI, selected Public Sector banks have been prohibited from lending, and as the economic revival continues, the strength of the banking sector to finance growth given the challenges of high corporate NPAs may be a key concern.

Auto Sector:

The Indian auto industry is one of the largest in the world. The industry accounts for 7.1% of the country's Gross Domestic Product (GDP). The industry produced over 29 million vehicles, including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle in FY'18, against 25.3 million in FY'17, registering a growth of 14.78% over the same period last year owing to the growing interest of the companies in exploring the rural markets.

Domestic Sales on Passenger Vehicles grew by 7.89% year on year (YOY) basis despite the temporary slowdown in demand due to demonetization and the implementation of GST. The sale on Utility Vehicles recorded the highest growth of over 20% in the same period under this segment. The overall Commercial Vehicle segment registered a YOY growth of 19.94% in FY'18.

India is also a prominent auto exporter and has strong export growth expectations for the near future. Overall automobile exports grew 16.12% between FY'18 in comparison to the previous year.

The auto industry is set to witness major changes in the form of electric vehicles (EVs), shared mobility, Bharat Stage-VI emission and safety norms. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the 2W and 4W market in the world by 2020.

Auto Finance Sector:

The Indian Auto market is one of the most matured in the world, with penetration levels of approximately 75%. Significant innovation has been seen in areas of digital underwriting, collections and customer life cycle management being driven in the market by leading OEM captives.

The auto finance market is currently at the cusp of a high-growth period fueled by economic growth, innovative products, improved credit collection processes and effective use of online channels providing an addressable opportunity of over INR 2600 billion by FY'20. The growth will be driven on the back of Increase per annum in ticket size of cars (3 to 5%); LTV growth (2 to 3%); Finance penetration growth (75 to 80%) & an Addition of 100 million people into middle class category every year.

The country's strong fundamentals driven by 1) Strong Credit Infrastructure; 2) Product variants and new segments; 3) Used Car Financing & 4) Regulations favoring NBFCs and Captives, provide a significant

foundation to the market. However, the challenge faced by auto financiers- portfolio profitability- still remains.

Banks currently hold 53% share in auto finance outstanding while NBFCs account for the rest. NBFCs have increased their market share to 47% owing to factors such as controlled operating cost, wider and effective reach, strong risk management, and better understanding of their customers.

Stress on books of banks, especially public sector banks (PSBs), also helped NBFCs to gain share in the auto finance market. In future, however, banking activities of First Time Users (FTUs) will increase and small road transport operators (SRTOs) may achieve a moderate scale of operations. Then, both types of buyers, catered to by NBFCs currently, may look for cheaper sources of financing such as banks. Armed with information on borrower profile from credit bureaus, banks may also by then become interested in tapping the segment.

The shift toward earlier recognition of NPAs by NBFCs as mandated by the RBI will lead to higher credit costs but their efficient recovery process and economic recovery will ensure the overall credit costs remain stable. In the longer term, credit costs are expected to come down led by availability of CIBIL information in rural areas, growth in disposable incomes, enhanced analytics and better recovery process.

State Of Company & Results of Operation:

The Company is a Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India. The Company is engaged in the business of providing finance for the purchase of Toyota Cars to retail and corporate customers as well as providing wholesale finance & term loans to Toyota Dealers.

In order to provide convenience of repayment to the customers, the Company offers a wide range of auto loan products such as Smart Finance, Flexi Finance, Easy Finance etc., along with Classic finance. Although these products are new and not so prevalent in India, the Company expects them to grow in future. In FY 17-18 we have observed a steady growth in Smart Finance loans which is expected to grow further. The Company also supports dealers to sell more value added products such as Toyota Genuine Accessories, First Year Insurance, Extended Warranty, and Multi-Year Insurance by bundling loan on these products along with car loan and offering customer convenience of purchase.

The Company financial products are offered by well-trained employees present at Toyota dealership, who assist customers to complete entire loan process faster and easier. Currently we complete loan processing within 8 hours and are looking to reduce the TAT further in future. The Company believes that faster and easier process is a key factor of quality of customer services, which enables the company to acquire and retain more customers successfully.

The Company is expanding its geographic coverage and its digital presence by developing Fintech solutions to deliver enhanced Toyota experience to broader base of customers. As of March 18, the company is present at 184 outlets which accounts for 84.8% of overall Toyota sales in India. The company disbursed 27,700 contracts for Toyota new cars in FY'18, which is 23.7% of Toyota sales in the coverage area. As of March 18, the company maintains more than 95,000 live contracts in its new car auto loan portfolio. The Company also provides used car finance to customers willing to buy used cars

through U Trust dealer outlets present in 82 locations PAN India. In FY'18, the Company disbursed 1,159 cases of used car.

The Company under its Lexus Financial Services wing which was launched in March 2017 with the objective of offering best-in-class product and services in addition to provide amazing experience to Lexus customers in India disbursed 42 contracts for Lexus new cars which was 14% of Lexus Sales.

The Company also offers wholesale funding and term loan to Toyota dealers for supporting their finance requirements. In addition to loan facilities to purchase new car, used car and spare parts, the Company also finances dealers for infrastructure expansion. Currently the Company is providing dealer finance to 39 dealers and total book size is 11,334 million as of March 18.

Financial Performance:

The balance of loans and advances as of March 2018 was INR 69,159 million (previous year INR 62,071 million), increased by 11.4 % from the previous year.

The revenue from operation, of which main streams are interest income and fee income, was 6,954 million vis-à-vis 6,007 million in previous year, while finance cost was at 3,968 million vis-à-vis 3,284 million in previous year. Operational expenses (employee benefits, depreciation and amortization, and others) were at 2,040 million vis-à-vis 1,536 million in previous year, having increased along with expansion of business.

In FY17-18 the Profit Before Tax was at 529 million vis-à-vis a Profit Before Tax of 756 million in previous year, while the Profit After Tax was at 341 million vis-à-vis Profit After Tax of 490 million in previous year.

Non-Performing Asset (NPA):

As of March 2018, the company's gross NPA ratio vs. overall outstanding loan principal was 2.79% vis-à-vis 1.22% in previous year. After netting off with credit loss provisions, net NPA ratio was 1.29% vis-à-vis 0.64% in previous year. Increase in NPA in FY 17-18 is primarily due to a dealer a/c (Wholesale Finance) becoming NPA & increased delinquency in Commercial Aggregator segment.

The company regularly monitors repayment from delinquent customers and takes optimal approach to customers through call center or multiple field collection agencies tied up across India. It tries to enhance its collection capability by expanding collection reach into rural area as well as smoothing loan recovery process.

The company makes credit loss provisions based on defined internal provisioning policy and recommended by the regulator.

Borrowings:

In FY17-18, the company rebalanced the borrowing mix to increase proportion of bank funding, in light of increased Debt Capital Market rates, in order to support the growing business competitively and ensure funding stability through diversification of borrowing sources. Your company successful

concluded the first INR External Commercial Borrowing (ECB) programme in an attempt to further diversify funding sources. Your company continues to maintain strong relationship with various banks to mitigate liquidity risk.

The Company's borrowing portfolio as of March 2018 consists of 66% by Non-convertible Debentures, 15% by Commercial Papers, 15% by bank loans and 4% by External Commercial Borrowing (ECB). The company continues to maintain appropriate mix of long and short term borrowings for healthy asset liability position.

Information Technology:

Throughout FY18, your company's IT systems remained stable, supporting business transactions effectively. The new wholesale lending / inventory funding core system was successfully implemented and being stabilized to support our dealer funding operations. Retail lending core systems and accounting systems were enhanced to support GST compliance. Further, your company has initiated its digital journey by setting up projects to enhance its customer acquisition process through workflow solutions for its back-end operations team and mobility solutions for its sales team. Analytics is also another area of focus with projects initiated to develop acquisition scorecards. Your company believes that by leveraging technology it should be able to better serve its customers and exceed their expectations.

As part of its endeavor to enable business for the next phase of growth, your company has implemented a "hybrid cloud" strategy at its data center to cater to existing systems as well next generation digital systems. This enhanced infrastructure capability along with a robust Disaster Recovery mechanism should form a strong technology base for building and supporting TFSIN's digital journey for near to mid-term.

Your company is strengthening its overall IT framework in alignment with RBI circular on IT framework for NBFCs. Setting up of an IT Strategy Committee, review and creation of relevant IT, Information Security and Cyber Security policies, setting up and strengthening of various security controls have ensured your company has been able to not only maintain but enhance its overall governance and information security posture. The focus has also been towards building strong awareness among employees towards the importance of information / cyber security through phishing and online / offline awareness sessions.

Human Resources:

The Company continues its endeavor of building a capable and agile workforce to reach its business objectives. Towards realizing this vision, your company has been focusing on building a strong foundation based on the principles of 'Toyota Way' and TFS values by encouraging a culture of Kaizen. A comprehensive training and development program has ensured an all-round development of employees (>95% coverage) covering aspects of Toyota Best Practice (TBP), respective functional needs and behavioral / soft skill needs of the employees. The development program has further been enhanced through the association with Toyota Institute India (TII) especially on "Toyota Way / Kaizen" and TBP

aspects. A Kaizen project from India being adjusted as the best Kaizen project across Asia Pacific Region bore testimony to this.

Your company employed a 408 strong workforce at the end of FY17-18. The average age of employees stood at 32.7 years with gender diversity of 11.9% (% of women workforce). A total of 62 new members were welcomed into the Toyota family in the last year with attrition rates controlled at around 13.7%

Your company continued its focus towards having employees motivated and engaged at the workplace. This was reflected in the annual Employee Engagement Survey (conducted with the help of Willes Towers Watson) results that gave a total favorable engagement score of 89% - one percent higher than last year and akin to high performing organizations. This year, an initiative towards enhancing Employee Wellness through walking was introduced – a challenge many of the employees took up and eventually saw an improvement in their overall health and well-being. Your company would continue to keep this focus with a keen eye for identifying areas for improvement and taking appropriate actions to ensure we sustain and improve employee's level of engagement.

Your company is committed towards its responsibilities towards the community. Your Corporate Social Responsibility (CSR) program with active involvement from your employees focused on building water purifying units to provide pure drinking water at two locations in the outskirts of Bangalore - benefiting around 5000 residents at each location. You have also taken up the task of renovating and rebuilding an underprivileged government school providing a safe and conducive education environment for children near Bidadi, Karnataka. With education and underprivileged children being the focus, you also associated with a program called "Goal of Life" that focusses on bringing about behavioral changes and incorporating life lessons using Football as a medium amongst street kids at Delhi.

As your company moves towards its next phase of stabilized growth, it acknowledges that the focus towards Human Resources Development would be critical to build an agile and sustainable organization – something very central to your core culture and values.

Risk Management:

The Company is exposed to various types of risks, like the customer's Credit Risk, Market Risk, and Operational Risk etc. The Company is leveraging the latest trends in Analytics to empower its Risk Management capabilities by incorporating Credit Scorecards and Origination based Profitability to assess risks arising from underwriting and proactively mitigating them.

Credit Risk of a customer is primarily associated with the delinquency of the customer which in turn, depends upon Economic factors. Resale of security asset of a customer further depends upon the Used Car market scenario. To identify and mitigate credit risk, the company organizes the Risk Management Committee (RMC) meetings each month where the entire portfolio is discussed and debated upon by dividing it into segments and analyzing trends & patterns and understanding risk levels of the various segments. This, in turn, becomes a key input for portfolio expansion strategy. It also helps enhance collections activities, ensure proper charge creation and credit underwriting policies.

Market Risk is something that arises from movement in market prices. Components contributing to market risk are Interest Rate Risk and Liquidity Risk. Interest Rate Risk arises due to changes in Interest rates as the Company's assets have longer maturity periods than its liabilities. Liquidity Risks arise when a company is unable to convert a security or an asset into cash without facing a Loss of Capital (or income). To mitigate this, the Company holds the Asset and Liabilities Committee (ALCO) meetings every

month which monitors the development in economy & financial market and various Risk metrics that show Asset & Liability profile and risks therein. Funding plan and risk controlling countermeasures are also discussed there to control risk profile.

Operational Risks arise from the risk of loss resulting from inadequate or failed internal processes, people or systems. They also arise from external events. Some such risks are addressed in the Risk Management Committee (RMC) meetings like information leakage, IT system disruption, operational errors, internal/ external frauds, legal/ regulatory non-compliance, physical damage to company asset, resignation of key personnel etc. These incidents are reported to the top management and possible countermeasures are discussed; post which the relevant department takes necessary action.

Thus, the overall Risk Management of the Company that includes aspects of Credit Risk, Market Risk and Operational Risk is encapsulated in the RMC and ALCO and represents the Company's "Enterprise Risk Management Framework".

Best-In-Town/Business Innovation/Project Office:

The company has formed "Best in Town" division to focus on the initiatives to bring smile on customer face in every transaction they make with Toyota.

Under BIT it is very important to give best experience to the customer at all touch points. For understanding the area of improvement, your Company has taken initiative to listen to the voice of customers and recommended corrective actions to the concern departments. Also your Company has initiated different projects along with sales team to support BIT dealerships in improving Sales and VAS absorption ratio.

Under project office in last year, the company has implemented new system to manage dealer funding business operations and also built systems readiness for GST compliance. For the current year, company has taken up digital initiatives to offer 'Best-in-class' customer experience through reduction of credit decision turnaround time (TAT) and "Anytime, Anywhere" mobile services. The company continues to focus on achieving 'lean operations' model leveraging emerging technologies.

Internal Control:

The Company has established internal financial control and risk management framework with appropriate policies and procedures to ensure high standards of integrity & transparency in its operations and a strong corporate governance structure while ensuring efficient service to various stakeholders.

Appropriate internal Financial Controls are in place to ensure

- a) orderly and efficient conduct of business including adherence to policies;
- b) safeguarding of assets;
- c) prevention and detection of frauds and errors;
- d) accuracy and completeness of accounting records; and
- e) timely preparation of reliable financial information.

ANNEXURE - 2

DETAILS IN TERMS OF SUB-SECTION 12 OF SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sl. No.	Name of the Director	Remuneration of Director	Ratio of remuneration of each director to median remuneration of employees
1	Mr. Tomohei Matsushita (MD & CEO)	INR. 20,762,487	20,762,487:3,66,450
2	Mr. Raman Rengan (Independent Director)	INR. 100,000	100,000: 3,66,450
3	Mr. Renu Rajani (Independent Director)	INR. 500,000	500,000: 3,66,450
4	Mr. Raman Rengan (Independent Director)	INR. 400,000	400,000: 3,66,450

- Percentage of increase in remuneration of each Director and CEO in the financial year: Percentage of increase in remuneration of Managing Director & CEO: Nil
- Percentage increase in median remuneration of employees in the financial year: 12.32% (3,66,450/3,26,250)
- Number of permanent employees on the roll of Company: 406 employees.
- Explanation on the relationship between average increase in remuneration and Company performance: The Company's compensation for its managerial personnel is for attracting and retaining the best talent as per industrial standards.
- Comparison of The Remuneration:
 - Key managerial personnel against the performance of the Company:
 - As a percentage of revenues for FY17-18: 0.78%
 - As a percentage of profit for FY17-18: 9.53%.
 - Each key managerial personnel against the performance of the Company:

Name of the KMP	Remuneration for FY17-18	Ratio of remuneration to Revenue
Mr. Tomohei Matsushita	INR. 20,762,487	20,762,487: 6,997,490,924
Mr. Norimasa Ogawa	INR. 1,092,767	1,092,767: 6,997,490,924
Ms. Reena Mary	INR. 1,478,000	1,478,000: 6,997,490,924

- Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current Financial year and Previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies variations in the net worth of the company as the close of the current financial year and previous financial year:

Since the equity shares of the Company are not listed therefore the requirement for variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial and previous financial and percentage increase over decrease in the market quotations of the shares of the Company is not applicable.

Therefore, for the variation in the net worth of the Company is given below:

As on March 31, 2018	As on March 31, 2017	Variation
INR. 13,377,003,852	INR. 11,436,393,051	INR. 1,940,610,801

8. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not applicable
9. The key parameters for any variable component of remuneration availed by the Directors: Bonus is paid to executive director in Yen (Japan currency) based on the performance of the Company.
10. The remuneration is paid in accordance with Remuneration policy of the Company.

**DETAILS IN TERMS RULES 5 OF THE COMPANIES (APPOINTMENT AD REMUNERATION OF
MANAGERIAL PERSONNEL) RULES, 2014**

Sl. No	Name of the Employee	Designation	Educational qualification	Age (in years)	Experience (in years)	Date of Joining	Gross remuneration Paid Per annum (In million) INR	Previous employment and designation held
1	Tomohei Matsushita	MD & CEO	Bachelor degree (Business Administration)	52	29	1-Jan-16	20.76	Toyota Financial Services Corporation
2	Norimasa Ogawa (From 22/02/2018)	CFO	Masters in Commerce	35	10	22-Feb-18	1.09	Toyota Financial Services Corporation

ANNEXURE-3

Form No. AOC-2

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

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

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

- (a) Name(s) of the related party and nature of relationship- N.A.
- (b) Nature of contracts/ arrangements/ transactions- N.A.
- (c) Duration of the contracts/ arrangements/ transactions- N.A.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any- N.A.
- (e) Justification for entering into such contracts or arrangements or transactions- N.A.
- (f) Date(s) of approval by the Board, if any- N.A.
- (g) Amount paid as advances, if any- N.A.
- (h) Date on which the special resolution was passed in general meeting as required under the first proviso to section 188- N.A.

2. Details of material contracts or arrangement or transactions at arm's length basis**

Name(s) of the related party and nature of relationship	Toyota Financial Services Corporation, Japan (TFSC)	Toyota Kirloskar Motor Private Limited (TKM)	Toyota Leasing (THAILAND) Co. Ltd (TLT)
Nature of contracts/ arrangements/ transactions	Intragroup Services of Economic and Commercial Value	Intragroup Services of Economic and Commercial Value	Intragroup Services of Economic and Commercial Value.
Salient terms of the contracts or arrangements or transactions including the value, if any	It is an agreement of economic value. The value of such transaction has been given in financials statement. Refer the same for more information.	It is an agreement of economic value. The value of such transaction has been given in financials statement. Refer the same for more information.	It is an agreement of economic value. The value of such transaction has been given in financials statement. Refer the same for more information.
Date(s) of approval by Board, if any-	Feb 10th, 2015 – Blanket Approval	Feb 10th, 2015 – Blanket Approval Board Approvals – May 26, 2017 and Nov 10, 2017	Aug 12th, 2016 – Blanket Approval
Amount paid as advances, if any	Nil	Nil	Nil

ANNEXURE - 4

Form MGT 9

EXTRACTS OF THE ANNUAL RETURN AS ON FINANCIAL YEAR ENDED MARCH 31, 2017 AS PER CLAUSE A OF SUB SECTION 3 OF SECTION 134 OF THE COMPANIES ACT, 2013.

I. Registration and Other Details:

- i) **CIN:** U74900KA2011FLC058752
- ii) **Registration Date:** May 20, 2011
- iii) **Name of the Company:** Toyota Financial Services India Limited
- iv) **Category/Sub category of the Company:** Non-banking Financial Company
- v) **Address of the Registered Office and contact details:** No. 21 Centropolis, First Floor, 5th Cross, Langford Road, Shanti Nagar, Bangalore, Karnataka, PIN 560025.
- vi) **Whether listed Company:** YES/ ~~NO~~
- vii) **Name, Address and Contact details of Registrar or Transfer Agent if any :**
None for Equity Shares. For Non-convertible Debentures: Karvy Computershare Pvt. Limited, Madhapur, Hyderabad.

II. Principal Business Activities of the Company:

The business activities contributing 10% or more of the total turnover of the Company are as under:

Sl. No	Name and Description of main products/ Services	NIC code of the product /Services	Percentage of contribution to total turnover (%)
1	Financing of Toyota Vehicles in India	6492 (As per NIC 2008 list)	100%

III. Particulars of Holding, Subsidiary and Associate Companies:

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary or Associates	Percentage of share held	Applicable Section
1	Toyota Financial Services Corporation Nagoya Lucent Tower 15f-6-1 Ushijima Cho Nishiku Nagoya, Aichi, Japan	NA	Holding	99.999999%	2(46)

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IV. Share holding Pattern (Equity share capital Breakup as percentage of Total Equity)

i) Category – wise share holding

Categories of share holders	No. of shares held at the beginning of the year				No. of shares held at the end of the year			% change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1) Indian									
Individual/HUF	-	-	-	-	-	-	-	-	-
Central Govt	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other....	-	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-	-
2) Foreign									
NRI - Individuals	-	1	1	0.00%	-	1	1	0.00%	0.00%
Other Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp	-	863,855,304	863,855,304	100%	-	957,972,951	957,972,951	100%	10.89%
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other....	-	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)	-	863,855,305	863,855,305	100%	-	957,972,952	957,972,952	100%	10.89%
B. Public share Holding									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub total	-	-	-	-	-	-	-	-	-
2) Non-Institutions									

TOYOTA FINANCIAL SERVICES INDIA LIMITED

a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	5	5	0%	-	5	5	0%	0%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub total	-	5	5	0%	-	5	5	0%	0%
Total Public shareholding (B)	-	5	5	0%	-	5	5	0%	0%
C. Shares held by custodians for GDR's and ADR's	-	-	-	-	-	-	-	-	-
Grand total (A+B+C)	-	863,855,310	863,855,310	100%	-	957,972,957	957,972,957	100%	10.89%

ii) Shareholding of Promoters:

Sl. No	Shareholders 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	Toyota Financial Services Corporation, Japan	957,972,957	100%	0%	957,972,957	100%	0%	10.89%

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Promoters' Shareholding	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	863,855,304	100%	863,855,304	100%
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	94,117,647	10.89%	94,117,647	10.89%
At the End of the year	957,972,957	100%	957,972,957	100%

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iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

During the year, there have been no changes in shareholding in terms of number of shares or as percentage of total shares of the company in respect of members other than directors, promoters and holders of GDRs and ADRs

Name of Shareholder at the being of the year	No of shares held	Percentage of total shares of the company	Name of the Transferee	Date of transfer	Name of Shareholder at the end of the year	No of shares held	Percentage of total shares of the company
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

v) Shareholding of Directors and Key Managerial Personnel:

a) Mr. Tomohei Matsushita, Managing Director and CEO (KMP)

For Mr. Tomohei Matsushita	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	1	0%	1	0%
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0%	0	0%
At the End of the year	1	0%	1	0%

b) Kazuki Ogura, Non-Executive Director:

For Mr. Kazuki Ogura	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	1	0%	1	0%
Date wise Increase / Decrease in Promoter Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0%	0	0%
At the End of the year	1	0%	1	0%

c) Akito Tachibana, Non-Executive Director:

For Mr. Kazuki Ogura	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	1	0%	1	0%

TOYOTA FINANCIAL SERVICES INDIA LIMITED

Date wise Increase / Decrease in Promoter Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0%	0	0%
At the End of the year	1	0%	1	0%

d) Mr. Atsushi Oki, Non-Executive Director:

For Mr. Atsushi Oki	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	0	0%	0	0%
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Transfer of Share	1	0%	1	0%
At the End of the year	1	0%	1	0%

e) Mr. Norimasa Ogawa, CFO (KMP):

For Mr. Norimasa Ogawa	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	0	0%	0	0%
Date wise Increase / Decrease Promoters Shareholding during year specifying the reasons increase / decrease (e.g. allotment transfer / bonus/ sweat equity etc): Transfer of Share	1	0%	1	0%
At the End of the year	1	0%	1	0%

The rest of the Directors i.e. Ms. Asha Sampath and Ms. Renu Rajani do not hold any shares in the Company as on end of the financial year.

The Key managerial Personnel except the Managing Director & CEO and CFO above do not hold any shares in the Company.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits (Rs in Mn)	Unsecured Loans (Rs in Mn)	Deposits	Total Indebtedness (Rs in Mn)
Indebtedness at the beginning of the				

TOYOTA FINANCIAL SERVICES INDIA LIMITED

financial year				
i) Principal Amount	33,000	15,935	NIL	48,935
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	940	3		943
Total (i+ii+iii)	33,940	15,938	NIL	49,878
Change in Indebtedness during the financial year				
- Addition	3,383	2,842	NIL	6,225
- Reduction	-	-		-
Net Change	3,383	2,842	NIL	6,225
Indebtedness at the end of the financial year				
i) Principal Amount	36,105	18,766	NIL	54,871
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	1,218	14		1,232
Total (i+ii+iii)	37,323	18,780	NIL	56,103

VI. Remuneration of Directors And Key Managerial Personnel

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

Sl. No	Particulars of Remuneration	Particulars of Remuneration of Mr. Tomohei Matsushita, Managing Director and CEO
1	Gross salary (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	20,322,749
2	Stock Option	
3	Sweat Equity	0
4	Commission - as % of profit - others, specify...	0
5	Others, please specify	0
	Total (A)	20,322,749

****The Managerial Remuneration is paid with in the ceiling limit under Schedule V of the Companies Act, 2013.***

B. Remuneration to other directors:

I. Non - Executive directors: NIL

II. Independent directors:

Sl. No	Particulars of Remuneration	Independent Directors		
		Raman Rengan (Upto 26/05/2017)	Asha Sampath	Renu Rajani
1	Gross salary (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	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify *Sitting fee	100,000	400,000	500,000
	Total	100,000	400,000	500,000


****Sitting fee of INR. 1,00,000 paid for 5 board meeting each attended by independent directors during 2016-17.***

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

Sl. No	Particulars of Remuneration	Particulars of Remuneration of Mr. Akihiko Sekiguchi, CFO (Upto 27/12/2017)
1	Gross salary (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	16,009,231
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify...	-
5	Others, please specify	-
	Total (A)	16,009,231
Sl. No	Particulars of Remuneration	Particulars of Remuneration of Mr. Norimasa Ogawa, CFO (From 22/02/2018 to 31/03/2018)
1	Gross salary (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	3,345,938
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify...	-
5	Others, please specify	-
	Total (A)	3,345,938

Sl. No	Particulars of Remuneration	Particulars of Remuneration of Ms. Reena Mary, CS
1	Gross salary (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	1,478,000
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify...	-
5	Others, please specify	-
	Total (A)	1,478,000

VII. Penalties / Punishment/ Compounding of Offences
Nil

For Toyota Financial Services India Limited	For Toyota Financials Service India Limited
 Tomohei Matsushita Managing Director DIN: 07335725 Date: July 11, 2018 Place: Bangalore	 Akito Tachibana Director DIN: 07411338 Date: July 11, 2018 Place: Bangalore

ANNEXURE-5
REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FY 17-18

- Brief Outline of the Company's CSR Policy including projects overview or programs proposed to be undertaken and a reference to the web link to CSR policy and projects and programs: The Company wishes to contribute to sustainable development of society by undertaking various projects and programs which will enhance the quality of life and well-being of diverse people clusters in society. Guided by the Act and Toyota's basic philosophy regarding CSR, depending upon the area that needs utmost attention and support for the development of the society and for to meet direct needs of the society, the Company decide upon the kind of programs,/ projects and/ or activities that can be undertaken by the Company for a particular tenure. Implementation of such programs / projects / activities are done either directly through Company's personnel or through appointment of external agencies, trusts, institutions etc depending upon the best suitable way or method of execution of such observed activity(ies). During the reporting period, the company undertook and built water purifying plants and also constructed toilets and urinals (detailed below). The Company also contributed certain portion of its CSR to Prime Minister's National Relief Fund. The CSR policy is in the Company's portal at <https://www.toyotafinance.co.in/corporate-governance>.
- Composition of CSR committees: **Refer to the point 'Corporate Social Responsibility' of this report.**
- Average net profit of the company for last three (3) financial years of the Company: **631,872,144**
- Prescribed CSR Expenditure (two percent (2%) of the amount as in item 2 (above): **12,637,443**
- Details of CSR spend for the financial year: 2017-18
 - Total amount to be spent for the financial year: **12,637,443**
 - Amount unspent, if any: NA
 - Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Activity	Sector in which the project is covered	Project or programs 1. Local Area 2. Specify the state and district where CSR project was under taken.	Amount outlay (budget) project or program wise.	Final Payment Project wise	Cumulative expenditure up to the reporting period.
1.	Construction of Government school at Bidadi	Rural area development	Govt Higher Primary School, Kenchanakuppe, Bidadi, Ramanagara	Rs. 6,000,000	Rs. 7,392,000	Rs. 7,392,000
2.	Setting up the drinking water purification plant at KM Doddidi and Machanabelle	1. Promoting education and educational facilities 2. Sanitation & cleanliness	1. KM Dhoddi (Mandya Dist) 2. Manchanebelle (Ramanagara Dist)	Rs. 2,000,000	Rs. 1,730,000	Rs. 1,730,000
3.	Kutumb Foundation - Goal of Life Project, Delhi	Promoting education, promoting gender equality and training to promote nationally recognized sports	Kotla Mubaackpur, Khan Market, Nizamuddin and Ghevra of Delhi	Rs. 1,400,000	Rs. 1,360,990	Rs. 1,360,990
4.	Road Safety Awareness Campaign (Joint	Education and Awareness including	New Delhi	Rs. 2,500,000	0	0

TOYOTA FINANCIAL SERVICES INDIA LIMITED

	project with TKM)	special education				
5.	Support in mid-day meal for poor students	Eradicating hunger, poverty and malnutrition & Promoting education	Bangalore and adjoining schools	Rs. 750,000	0	0
6.	Contribution to Prime Minister National Relief Fund	-	-	0	Rs. 2,167,010	Rs. 2,167,010
	Total			Rs. 12,650,000	Rs. 12,650,000	Rs. 12,650,000

ANNEXURE 6

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For The Financial Year Ended March 31, 2018

To,
The Members,
Toyota Financial Services India Limited,
No. 21, Centropolis, 1st Floor, 5th Cross,
Langford Road, Shanti Nagar,
Bengaluru 560025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Toyota 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 my opinion thereon.

Based on our verification of the Company's 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 financial year ended on March 31, 2018 (the audit period) 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 during the audit period according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

TOYOTA FINANCIAL SERVICES INDIA LIMITED

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Company has not made any Overseas Direct Investment during the period under review.
- (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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period);**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. **(Not Applicable to the Company during the Audit Period);**
 - 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 **(Not Applicable to the Company during the Audit Period);**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period);**
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The Company has identified the following laws as specifically applicable to the Company:
 - a. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
 - b. Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016
 - c. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

- d. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016
- e. Master Direction – Know Your Customer (KYC) Direction, 2016

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- b. Debt Listing Agreement entered into by the Company with National Stock Exchange of India Limited (NSE).

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

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except with respect to those agenda items which the Company deemed to be unpublished price sensitive information (UPSI), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the review of the legal compliance reports obtained from the concerned departments' heads regarding compliance with the applicable laws and its adherence, which were taken on record by the Board of Directors, 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, there was no event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.,

Bengaluru
June 18, 2018

For V. SREEDHARAN & ASSOCIATES
(Pradeep B. Kulkarni)

Sd/-

Partner
FCS: 7260; CP No. 7835

For Toyota Financial Services India Limited	For Toyota Financials Service India Limited
 Tomohei Matsushita Managing Director DIN: 07335725 Date: July 11, 2018 Place: Bangalore	 Akito Tachibana Director DIN: 07411338 Date: July 11, 2018 Place: Bangalore

Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TOYOTA FINANCIAL SERVICES INDIA LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Toyota Financial Services India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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.

Management's Responsibility for the 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 financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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 auditors' judgement, 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. 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.

Price Waterhouse, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor, Bangalore - 560 008
T: +91 (80) 4079 5000, F: +91 (80) 4079 5222



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Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Toyota Financial Services India Limited

Report on the Financial Statements

Page 2 of 3

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.



Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Toyota Financial Services India Limited

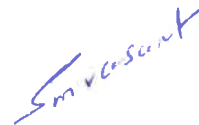
Report on the Financial Statements

Page 3 of 3

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position.
- ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts - Refer Note 6. There are no derivative contracts as at March 31, 2018.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Sharad Vasant
Partner
Membership Number: 101119

Bangalore
May 24, 2018

Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Toyota Financial Services India Limited on the financial statements for the year ended March 31, 2018

Page 1 of 2

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Toyota Financial Services India Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Toyota Financial Services India Limited on the financial statements for the year ended March 31, 2018

Page 2 of 2

Meaning of Internal Financial Controls Over Financial Reporting

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

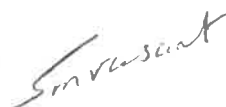
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Sharad Vasant
Partner
Membership Number: 101119

Bangalore
May 24, 2018

Price Waterhouse

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Toyota Financial Services India Limited on the financial statements for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) The Company does not own any immovable properties as disclosed in Note on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loan or provided any guarantee or security in connection with any loan taken by a party covered under section 185. Therefore, the provisions of section 185 are not applicable to the Company. The Company is registered as a Non-Banking Financial Company with the Reserve Bank of India. Further, in our opinion and according to the information and explanations given to us, during the year, the Company has not made any investments through more than two layers of investment companies as mentioned in sub section (1) of Section 186 of the Act. Therefore, the provisions of Section 186 are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, service tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax or goods and service tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.



Price Waterhouse

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Toyota Financial Services India Limited on the financial statements for the year ended

March 31, 2018

Page 2 of 2

- ix. The Company has not raised any moneys by way of initial public offer of further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the moneys raised by way term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has made a preferential allotment of equity shares during the year under review in compliance with the requirements of section 42 of the Act. The amounts raised have been used for the purposes for which funds were raised.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as an Asset Finance Company with effect from November 13, 2015.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Sharad Vasant
Partner
Membership Number: 101119

Bangalore
May 24, 2018

TOYOTA FINANCIAL SERVICES INDIA LIMITED
Balance Sheet as at March 31, 2018

Particulars	Note	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	9,579,729,570	8,638,553,100
Reserves and Surplus	3	3,797,274,282	2,797,839,951
Non-Current Liabilities			
Long Term Borrowings	4	29,104,610,383	25,000,000,000
Other Long Term Liabilities	5	7,041,186	3,399,774
Long Term Provisions	6	1,221,874,062	510,345,469
Current Liabilities			
Short Term Borrowings	7	15,766,175,380	15,934,739,219
Trade Payables	8		
Total outstanding dues of micro enterprises and small enterprises		1,249,306	216,130
Total outstanding dues of creditors other than micro enterprises and small enterprises		838,325,910	762,062,376
Other Current Liabilities	9	11,340,133,316	9,008,190,663
Short Term Provisions	10	119,037,567	371,245,604
TOTAL		71,775,450,962	63,026,592,286
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	43,581,376	47,274,755
Intangible Assets	11	30,932,662	23,543,355
Capital work-in-progress		3,331,248	13,776,588
Deferred Tax Assets (net)	12	484,318,067	320,190,735
Long Term Loans and Advances	13	42,283,421,598	37,330,717,067
Current Assets			
Trade Receivables	14	23,941,827	126,948,500
Cash and Bank Balances	15	1,086,004,415	5,975,726
Short -Term Loans and Advances	16	27,394,446,540	24,819,977,806
Other Current Assets	17	425,473,229	338,187,754
TOTAL		71,775,450,962	63,026,592,286
Significant Accounting Policies	1		

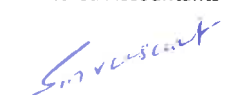
The Notes to the Financial Statements form an integral part of the Financial Statements.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse

Firm Registration No. 301112E

Chartered Accountants



Sharad Vasant

Partner

Membership No.101119

Bangalore

May 24, 2018

For and on behalf of the Board of Directors



Tomohei Matsushita

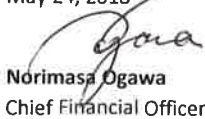
Managing Director &

CEO

DIN:07335725

Bangalore

May 24, 2018


Norimasa Ogawa
Chief Financial Officer

Bangalore

May 24, 2018




Asha Sampath

Director

DIN:02160962

Bangalore

May 24, 2018


Reena Mary
Company Secretary
ACS23518
Bangalore
May 24, 2018

TOYOTA FINANCIAL SERVICES INDIA LIMITED
Statement of Profit and Loss for the Year Ended March 31, 2018

Particulars	Note	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
I Revenue From Operations	19	6,954,598,374	6,006,937,669
II Other Income	20	42,892,550	6,646,806
III Total Revenue (I + II)		6,997,490,924	6,013,584,475
IV Expenses			
Employee Benefits Expense	21	357,955,157	349,826,805
Finance Costs	22	3,968,445,362	3,283,965,554
Depreciation and amortisation expense	23	30,131,261	43,442,434
Other Expenses	24	1,651,738,296	1,143,000,611
Provisions for standard and non-performing assets		460,237,378	437,387,154
Total Expenses		6,468,507,454	5,257,622,558
V Profit before Tax		528,983,470	755,961,917
VI Tax Expense			
(1) Current Tax		352,500,000	411,074,500
(2) Deferred Tax (credit)		(164,127,332)	(144,670,297)
VII Profit for the Year		340,610,802	489,557,714
VIII Profit per Equity Share of Rs. 10 each			
Basic and Diluted	27	0.37	0.61
Significant Accounting Policies	1		

The Notes to the Financial Statements form an integral part of the Financial Statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse

Firm Registration No. 301112E
Chartered Accountants


Sharad Vasant
Partner
Membership No.101119

Bangalore
May 24, 2018

For and on behalf of the Board of Directors


Tomohei Matsushita
Managing Director &
CEO
DIN:07335725

Bangalore
May 24, 2018


Norimasa Ogawa
Chief Financial Officer

Bangalore
May 24, 2018


Asha Sampath
Director
DIN:02160962

Bangalore
May 24, 2018


Reena Mary
Company Secretary
ACS23518

Bangalore
May 24, 2018

TOYOTA FINANCIAL SERVICES INDIA LIMITED
Cash Flow Statement for the year ended March 31, 2018

	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
A. Cash flow from operating activities		
Net Profit before taxation	528,983,470	755,961,917
Adjustments for :		
Depreciation / amortisation	30,131,261	43,442,434
Lease Equalisation Account	3,641,411	1,286,638
(Profit) / Loss on write off of Fixed Assets (net)	(117,827)	(27,810)
Provision against Non Performing Assets	697,639,203	93,571,654
Contingent Provision for Standard Assets, including future potential losses	(237,401,825)	343,815,500
Bad Debts written off	378,250,592	102,201,894
Provision towards Gratuity	(1,154,856)	3,013,864
Provision towards Compensated Absences	238,035	1,449,422
Operating profit before working capital changes	1,400,209,464	1,344,715,513
Changes in working capital :		
Increase / (decrease) in Trade Payables	77,296,710	553,963,691
Increase / (decrease) in Other Current Liabilities	331,942,653	280,768,395
(Increase) / decrease in Trade Receivable	103,006,673	49,775,380
(Increase) / decrease in Short Term Loans and Advances	(2,535,053,112)	(8,417,487,851)
(Increase) / decrease in Long Term Loans and Advances	(5,330,955,122)	(12,312,940,098)
(Increase) / decrease in Other Current Assets	(87,285,476)	(125,202,474)
Cash used in Operations	(6,040,838,210)	(18,626,407,444)
Taxes paid (including tax deducted at source) (Net of refund received)	(391,915,622)	(445,736,342)
Net Cash (used in) operating activities	(6,432,753,832)	(19,072,143,786)
B. Cash flow from Investing Activities		
Purchase of tangible/intangible assets	(24,085,685)	(39,589,848)
Sale of tangible/intangible assets	821,662	963,905
Net cash (used in)/ generated from investing activities	(23,264,023)	(38,625,943)
C. Cash flow from Financing Activities		
Proceeds from issue of equity share capital (Inclusive of share premium)	1,599,999,999	2,600,000,000
Borrowings made during the year - Debentures/Deep Discount Bonds	11,104,610,384	15,000,000,000
Repayment of borrowings made during the year - Debentures	(8,000,000,000)	(2,000,000,000)
Borrowings made during the year - Commercial papers	14,566,496,718	21,739,061,102
Repayment of borrowings made during the year - Commercial papers	(18,000,000,000)	(14,750,000,000)
Borrowings during the year - Term Loans from bank	169,484,907,675	186,070,000,000
Repayment of borrowings during the year - Term Loans from bank	(162,785,000,000)	(189,910,000,000)
Short Term (Over draft from Bank) Borrowings made/(repaid) (net)	(434,968,232)	170,224,522
Net cash flow from financing activity	7,536,046,544	18,919,285,624
Net Increases/(Decrease) in Cash and cash equivalents (A)+(B)+(C)	1,080,028,689	(191,484,105)
Cash and cash equivalents, beginning of the year	5,975,726	197,459,831
Cash and cash equivalents, end of the year	1,086,004,415	5,975,726
Notes to the statement of cash flow :		
1) Cash and cash equivalents comprise of:		
Cash on hand	565,760	198,836
Balances with banks		
In current accounts	85,438,655	5,776,890
Demand deposits (less than 3 months maturity)	1,000,000,000	-
TOTAL	1,086,004,415	5,975,726



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Cash Flow Statement for the year ended March 31, 2018

Notes to the statement of cash flow (cont'd) :

- 2) The above statement of cash flow has been prepared under the indirect method set out in Accounting Standard 3 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013.
- 3) Figures in bracket indicate cash outflow.

The accompanying notes are an integral part of the financial statements.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse

Firm Registration No. 301112E
Chartered Accountants



Sharad Vasant
Partner
Membership No.101119

Bangalore
May 24, 2018

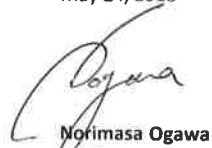
For and on behalf of the Board of Directors



Tomohei Matsushita Managing Director & CEO DIN:07335725	Asha Sampath Director DIN:02160962
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Bangalore
May 24, 2018

Bangalore
May 24, 2018



Norimasa Ogawa
Chief Financial
Officer

Bangalore
May 24, 2018



Reena Mary
Company Secretary
ACS23518

Bangalore
May 24, 2018

TOYOTA FINANCIAL SERVICES INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

General Information

Toyota Financial Services India Limited was incorporated on May 20, 2011 under the Companies Act, 1956 and is a subsidiary of Toyota Financial Services Corporation, Japan, the ultimate holding Company being Toyota Motors Corporation, Japan. The Company has been set up to undertake auto financing business and related activities in India. The Company received certificate of registration from the Reserve Bank of India (RBI) to commence operations as Non-Banking Finance Company on May 2, 2012. During the year ended March 31, 2016 RBI has amended the certificate of registration and has classified the company as Non-Deposit taking Non-Banking Finance Company - Asset Finance Company with effect from November 13, 2015.

1. Summary of Significant Accounting Policies

1.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended], other relevant provisions of the Companies Act, 2013 and guidelines issued by Reserve Bank of India for Non Banking Finance Companies.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III (Division I) to the Companies Act, 2013. Based on the nature of services and the time taken between their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1.2 Use of Estimate

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.3 Tangible Assets and Depreciation

- i. Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.
- ii. Subsequent expenditures related to an item of fixed assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.



TOYOTA FINANCIAL SERVICES INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (continued)

- iii. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.
- iv. An item of fixed assets is derecognised in disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on disposal is recognised in the Statement of Profit and Loss.
- v. Depreciation is provided on a pro-rata basis on the straight line method over the estimated useful lives of the assets as considered below:

Asset	Economic life
Leasehold Improvements	Over the tenor of the underlying lease
Office Equipments	5 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computers (other than Servers and Networks)	3 years
Servers & Networks	6 years

1.4 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Capitalised intangible assets are amortised on a pro-rata basis using straight line method over their estimated useful lives of the assets.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The amortization rates used are:

Asset	Economic life
Computer Software	5 years

1.5 Vehicle and Other Financing

Vehicle and other finance extended to customers are classified as loans and advances and are accounted once all the following events are completed.

- a) Credit department approval of the loan
- b) Completion of documentation formalities by the customer
- c) Receipt of dispatch/delivery advice from the dealer or manufacturer/Amount disbursed



TOYOTA FINANCIAL SERVICES INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (continued)

1.6 Revenue Recognition

Interest on Standard loans is accrued on a daily basis as determined by the amount outstanding and the rate applicable.

In the case of Non-Performing Loans, interest is recognised as income upon realisation. Overdue interest accrued as income remaining unrealised is reversed in the month in which the loan is classified as Non Performing.

Target linked incentive income is recognised during the period in which targets are achieved and realisation of revenue is considered reasonable.

Loan processing fees, subvention income, documentation charges and non target linked Incentive are recognised on disbursal of loan in respect of assets financed and when there is no uncertainty regarding the collection of such revenue.

Bounce charges, penal charges, foreclosure charges, late payment charges and other operating income are recognised as income on realisation due to uncertainty in their collection.

Interest income from fixed deposits is accounted on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive dividend is established.

1.7 Loan Acquisition Expenses

Loan acquisition expenses such as dealer commission, credit verification charges, stamp duty etc., are accounted in the year in which they are incurred.

1.8 Interest Expense

Interest expense is accounted for on a time proportion basis taking into account amount outstanding and rate applicable.

1.9 Commercial Paper and Deep Discount Bonds

The difference between the redemption value and acquisition cost of Commercial Paper and Deep Discount Bonds is amortised over the tenure of the instrument. The liability as at the Balance sheet date in respect of such instruments is recognised at face value net of unamortised discount.

1.10 Impairment of Loans

Provision for Standard Assets is made at a rate prescribed by Reserve Bank of India on the outstanding amount of standard assets and is disclosed under provisions.

Loan loss provision in respect of non-performing assets is made in accordance with the provision policy approved by the Board of Directors, which is based on the management's assessment of the degree of impairment of the loans and estimates of recoverability / realisation of the loans, subject



TOYOTA FINANCIAL SERVICES INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (continued)

to minimum provisioning requirements prescribed in accordance with the prudential norms of the RBI.

1.11 Repossessed Assets

Reposessed asset is valued at lower of loan outstanding or estimated net realisable value as determined on the basis of a valuation carried out by an independent valuer.

1.12 Foreign Currency Transactions

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

1.13 Employee Benefits

i. Provident Fund

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

ii. Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.



TOYOTA FINANCIAL SERVICES INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (continued)

iii. Compensated absences

Accumulated compensated absences, which are expected to be availed within 12 months from the end of the year is treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

1.14 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease.

1.15 Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any. In case there are carried forward losses and unabsorbed depreciation as per the Income tax Act, 1961, all deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that they will be realised against future taxable profits.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

1.16 Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



TOYOTA FINANCIAL SERVICES INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (continued)

1.17 Cash and Cash Equivalents

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

1.18 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. Earnings considered in ascertaining the Company's earnings per share is the net profit/ loss for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity 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 is adjusted for the effects of all dilutive potential equity shares.

1.19 Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

1.20 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses/income".

1.21 Special Reserve

In accordance with section 45-IC of the RBI Act, 1934, the Company creates a reserve fund and transfers therein a sum not less than twenty per cent of its net profit after tax before any dividend is declared every year, and is disclosed in the Reserves and surplus.



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (continued)
2) Share Capital

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Authorised:		
957,972,957 (March 31, 2017: 863,855,310) Equity Shares of Rs.10 each	9,579,729,570	8,638,553,100
	9,579,729,570	8,638,553,100
Issued, Subscribed and Paid up		
957,972,957 (March 31, 2017: 863,855,310) Equity Shares of Rs.10 each	9,579,729,570	8,638,553,100
	9,579,729,570	8,638,553,100

(a) Reconciliation of number of shares

Particulars	March 31, 2018		March 31, 2017	
	No of shares	Rupees	No of shares	Rupees
Balance at the beginning of the year				
Equity Shares	863,855,310	8,638,553,100	701,355,310	7,013,553,100
Add: Shares Issued during the year				
Equity Shares	94,117,647	941,176,470	162,500,000	1,625,000,000
Balance at the end of the year				
Equity Shares	957,972,957	9,579,729,570	863,855,310	8,638,553,100

During the year 94,117,647 equity shares of Rs 10 each have been allotted for cash at a premium of Rs. 7 each on July 19, 2017 pursuant to a resolution of shareholders passed at General Meeting dated July 03, 2017.

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Shares held by holding company and its nominees

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
957,972,957 (March 31, 2017: 863,855,310) equity shares held by Toyota Financial Services Corporation, Japan and its nominees, ultimately held by Toyota Motor Corporation, Japan.	9,579,729,570	8,638,553,100

(d) Details of Shares held by shareholders holding more than 5% of aggregate shares in the company

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Equity Shares:		
Toyota Financial Services Corporation, Japan, the holding company	957,972,957	863,855,310
Percentage holding	(100%)	(100%)

3) Reserves and Surplus

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Securities Premium		
Balance at the beginning of the year	2,661,446,881	1,686,446,881
Add : Securities premium on equity shares issued during the year	658,823,529	975,000,000
Balance at the end of the year	3,320,270,410	2,661,446,881
Special Reserve under section 45-IC of RBI Act, 1934		
Balance at the beginning of the year	192,449,523	94,537,980
Transferred from Surplus/(Deficit) in Statement of Profit and Loss during the year	68,122,160	97,911,543
Balance at the end of the year	260,571,683	192,449,523
Surplus/(Deficit) in Statement of Profit and Loss		
Balance at the beginning of the year	(56,056,453)	(447,702,624)
Profit for the year	340,610,802	489,557,714
Less: Transfer to Special Reserve under section 45-IC of RBI Act, 1934	(68,122,160)	(97,911,543)
Balance at the end of the year	216,432,189	(56,056,453)
	3,797,274,282	2,797,839,951



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (continued)

4) Long Term Borrowings

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Secured		
(a) Redeemable Non-Convertible Debentures -(Refer Note a)	33,700,000,000	33,000,000,000
Less: Current maturities of Redeemable Non-Convertible Debentures	(10,000,000,000)	(8,000,000,000)
	23,700,000,000	25,000,000,000
(b) Deep Discount Bonds -Face Value -(Refer Note b)	3,000,000,000	-
Less: Unamortised discount	(595,389,617)	-
	2,404,610,383	-
Unsecured		
Term Loans from Banks (Refer Note c)	3,000,000,000	-
Less: Current maturities of Term Loans from Banks	-	-
	3,000,000,000	-
	29,104,610,383	25,000,000,000

a) Schedule of Privately Placed Redeemable Non-Convertible Debentures

No. of Debentures*	Series Name	Face Value (Rs)	Balance as at		Issue Month	Maturity Month	Annual Coupon rate
			March 31, 2018 (Rupees)	March 31, 2017 (Rupees)			
2,000	Series 17	1,000,000	2,000,000,000	-	July 2017	January 2021	7.40%
1,200	Series 15	1,000,000	1,200,000,000	-	May 2017	June 2020	7.75%
3,000	Series 16	1,000,000	3,000,000,000	-	Jun 2017	June 2020	7.45%
3,000	Series 12	1,000,000	3,000,000,000	3,000,000,000	October 2016	April 2020	7.67%
2,000	Series 14	1,000,000	2,000,000,000	2,000,000,000	March 2017	March 2020	7.62%
3,000	Series 13 #	1,000,000	3,000,000,000	3,000,000,000	February 2017	February 2020	7.27%
1,500	Series 20	1,000,000	1,500,000,000	-	February 2018	January 2020	7.86%
2,000	Series 7 Option 2	1,000,000	2,000,000,000	2,000,000,000	December 2015	December 2019	8.45%
2,000	Series 11	1,000,000	2,000,000,000	2,000,000,000	October 2016	October 2019	7.51%
2,000	Series 10 Option 2 #	1,000,000	2,000,000,000	2,000,000,000	July 2016	July 2019	7.93%
2,000	Series 9	1,000,000	2,000,000,000	2,000,000,000	June 2016	June 2019	8.58%
1000**	Series 18	1,000,000	1,000,000,000	-	December 2017	March 2019	7.25%
2000**	Series 7 Option 1	1,000,000	2,000,000,000	2,000,000,000	December 2015	December 2018	8.35%
2000**	Series 6 #	1,000,000	2,000,000,000	2,000,000,000	September 2015	September 2018	8.13%
2000**	Series 5	1,000,000	2,000,000,000	2,000,000,000	August 2015	August 2018	8.53%
3000**	Series 4	1,000,000	3,000,000,000	3,000,000,000	June 2015	June 2018	8.54%
2,000**	Series 3	1,000,000	-	2,000,000,000	March 2015	March 2018	8.40%
2,000**	Series 8	1,000,000	-	2,000,000,000	February 2016	January 2018	8.20%
2,000**	Series 2	1,000,000	-	2,000,000,000	November 2014	November 2017	8.70%
1,000**	Series 1 Option 2	1,000,000	-	1,000,000,000	September 2014	September 2017	9.55%
1,000**	Series 10 Option 1	1,000,000	-	1,000,000,000	July 2016	August 2017	7.82%
Total			33,700,000,000	33,000,000,000			

* 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.

** Current maturities of Redeemable Non-Convertible Debentures disclosed in Note 9.

The interest for these NCDs are payable half yearly, however for the rest of the NCDs, the interest is payable on an annual basis

b) Schedule of Privately Placed Deep Discount Bonds

No. of Deep Discount Bonds*	Series Name	Face Value (Rs)	Balance as at		Issue Month	Maturity Month	Annual Discount rate
			March 31, 2018 (Rupees)	March 31, 2017 (Rupees)			
3,000	Series 19	1,000,000	2,404,610,383	-	January 2018	February 2021	7.90%
Total			2,404,610,383	-			

*These Deep Discount Bonds are secured through first ranking exclusive charge by way of hypothecation over the loan receivables.

c) Schedule of Term Loan

Unsecured loans from banks with bullet repayment on various maturity dates

Month of maturity	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
March 2021	2,000,000,000	-
April 2019	1,000,000,000	-
	3,000,000,000	-

Interest rates range 7%p.a to 7.27% p.a (March 31, 2017: Nil) for the borrowings outstanding as at March 31, 2018.

5) Other Long Term Liabilities

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Rent equalisation reserve	7,041,186	3,399,774
	7,041,186	3,399,774

6) Long Term Provisions

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Provision for Standard Assets	161,307,906	146,263,660
Provision for Non Performing Assets	1,058,420,203	360,781,000
Provision for Employee Benefits		
- Gratuity (Refer Note 21(b))	2,145,953	3,300,809
	1,221,874,062	510,345,469



TOYOTA FINANCIAL SERVICES INDIA LIMITED

Notes to the Financial Statements for the year ended March 31, 2018 (continued)

7) Short Term Borrowings

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Unsecured		
- Term Loans from Banks	7,289,907,675	3,590,000,000
- Bank Overdraft repayable on demand	274,419,106	709,387,338
- Commercial Paper # (Maximum balance outstanding during the year (face value) Rs 15,000,000,000 (Previous Year: Rs 13,500,000,000)	8,201,848,599	11,635,351,881
	15,766,175,380	15,934,739,219

Commercial Paper #

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Commercial Paper -Face Value	8,400,000,000	12,000,000,000
Less: Unamortised discount	(198,151,401)	(364,648,119)
	8,201,848,599	11,635,351,881

Schedule of Term Loan

Unsecured loans from banks with bullet repayment on various maturity dates

Month of maturity	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
November 2018	1,000,000,000	-
November 2018	1,000,000,000	-
October 2018	1,000,000,000	-
July 2018	1,000,000,000	-
July 2018	234,401,635	-
July 2018	155,506,040	-
May 2018	900,000,000	-
May 2018	1,000,000,000	-
April 2018	1,000,000,000	-
April 2017	-	1,000,000,000
April 2017	-	540,000,000
April 2017	-	1,340,000,000
April 2017	-	250,000,000
April 2017	-	160,000,000
April 2017	-	300,000,000
	7,289,907,675	3,590,000,000

Interest rates range from 6.21% p.a. to 7.30% p.a. (March 31, 2017: 7.25% p.a. to 8.15% p.a.) for the Term Loans outstanding as at March 31, 2018.

Schedule of Bank Overdraft

Tenure	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Repayable on demand	274,419,106	709,387,338

Interest rates on bank overdraft is as determined by the Bank based on Marginal Cost of Lending Rates and appropriate spread from time to time. The Interest rates range from 7.85% p.a. to 8.15% p.a. (March 31, 2017: 8.10% p.a. to 8.95% p.a.) for the overdraft outstanding as at March 31, 2018

Schedule of Commercial Papers

Tenure	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
February 2019	845,598,879	-
January 2019	946,123,188	-
September 2018	965,972,824	-
July 2018	978,158,572	-
June 2018	491,817,148	-
May 2018	1,484,312,158	-
May 2018	992,774,651	-
April 2018	1,497,091,179	-
January 2018	-	937,825,366
December 2017	-	950,694,872
December 2017	-	950,601,992
October 2017	-	482,072,615
October 2017	-	963,367,532
October 2017	-	480,190,271
September 2017	-	965,918,218
July 2017	-	979,766,377
July 2017	-	489,241,293
July 2017	-	489,375,886
June 2017	-	984,997,028
June 2017	-	983,319,421
May 2017	-	989,780,247
May 2017	-	988,200,763
	8,201,848,599	11,635,351,881

Discounting rate is (range between 6.88% to 7.72% (March 31, 2017: 6.85% to 8.40%)) market driven at the time of the issuance of such papers.



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (continued)
8) Trade Payables

Particulars		March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Trade Payables			
- Total outstanding dues of micro and small enterprises (Refer note below)	(A)	1,249,306	216,130
- Total outstanding dues of creditors other than micro and small enterprises			
(i) Acceptances		-	-
(ii) Others		473,030,022	345,436,278
(iii) Payable to Dealers		365,295,888	416,626,098
	(B)	838,325,910	762,062,376
	(A+B)	839,575,216	762,278,506

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,249,306	216,130
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	47,715
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	72,748	8,837
Further interest remaining due and payable for earlier years	9,496	659

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

9) Other Current Liabilities

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Current maturities of Redeemable Non-Convertible Debentures (Refer Note 4)	10,000,000,000	8,000,000,000
Earnest Money Deposit	36,197,100	-
Interest accrued but not due on borrowings	1,232,264,803	943,352,064
Employee benefits payable	37,439,804	39,442,304
Statutory dues including provident fund and tax deducted at source	34,231,609	25,396,295
	11,340,133,316	9,008,190,663

There are no amount due for payment to the Investors Education and Protection Fund under section 125 of the Companies Act 2013 as at the year end.

10) Short Term Provisions

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Provision for Employee Benefits		
- Provision for Compensated absences	9,784,298	9,546,264
Provision for Standard Assets, including future potential losses	109,253,269	361,699,340
	119,037,567	371,245,604

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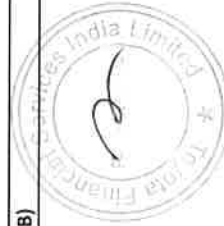


TOYOTA FINANCIAL SERVICES INDIA LIMITED

Notes to the Financial Statements for the year ended March 31, 2018 (Continued)

11) Fixed Assets

Particulars	GROSS BLOCK (At Cost)			DEPRECIATION / AMORTISATION		NET BLOCK (Rupees)
	As on April 01, 2017	Additions during the year	Disposals during the year	As on March 31, 2018	As on April 01, 2017	
	As on April 01, 2017	Additions during the year	Disposals during the year	As on March 31, 2018	Disposals for the year	
Tangible Assets						
Computers (other than Servers and Networks)	38,830,732	9,573,962	4,037,831	44,366,863	27,992,615	34,159,671
Computers -Servers and Networks	11,120,462	2,283,633	-	13,404,095	4,292,765	4,599,933
Office Equipments	12,270,272	524,069	807,800	11,986,541	5,730,346	7,209,944
Furniture and Fixtures	22,171,037	40,524	-	22,211,561	11,467,808	13,187,087
Leasehold Improvements	69,413,282	-	-	69,413,282	60,740,988	6,631,754
Vehicles	10,817,523	1,807,925	1,320,511	11,304,937	7,124,031	7,167,740
Total (A)	164,623,308	14,230,113	6,166,142	172,687,279	117,348,553	129,105,903
Intangible Assets						
Computer Software	126,990,381	20,300,912	-	147,291,293	103,447,026	116,358,631
Total (B)	126,990,381	20,300,912	-	147,291,293	103,447,026	30,932,662
Total Fixed Assets (A+B)	291,613,689	34,531,025	6,166,142	319,978,572	220,795,579	74,514,038
Previous Year						
Tangible Assets						
Computers (other than Servers & Networks)	29,432,387	9,457,463	59,118	38,830,732	21,136,115	27,992,615
Computers -Servers & Networks	9,804,327	1,316,135	-	11,120,462	4,264,223	4,292,765
Office Equipments	9,527,927	3,632,516	890,171	12,270,272	4,230,505	7,56,037
Furniture and Fixtures	19,235,347	3,643,435	707,745	22,171,037	10,279,351	11,467,808
Leasehold Improvements	62,925,987	9,522,520	3,035,225	69,413,282	59,865,574	60,740,988
Vehicles	12,138,034	-	1,320,511	10,817,523	6,911,262	7,124,031
Total (A)	143,064,009	27,572,069	6,012,770	164,623,308	106,687,030	117,348,553
Intangible Assets						
Computer Software	119,509,837	7,480,544	-	126,990,381	75,742,790	103,447,026
Total (B)	119,509,837	7,480,544	-	126,990,381	75,742,790	23,543,355
Total Fixed Assets (A+B)	262,573,846	35,052,613	6,012,770	291,613,689	182,429,820	70,818,110



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (Continued)
12) Deferred Tax Asset (Net)

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Deferred Tax Liabilities		
Deferred Tax Assets		
- On Depreciation	13,524,712	10,061,427
- On Provision for compensated absences	3,386,149	3,303,771
- On Contingent provision for Standard Assets, including future potential losses	93,635,812	175,795,835
- On Provision for Non Performing Assets	326,123,495	103,225,381
- On Diminution in value of re-possessed assets	26,580,390	7,997,031
- On Unrealised interest on Non Performing Assets	18,630,696	18,630,696
- On Rent equalisation disallowance	2,436,813	1,176,594
	484,318,067	320,190,735
Net Deferred Tax Assets	484,318,067	320,190,735

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws. During the current year, based on reasonable certainty of realisability of future taxable profits, Deferred tax Assets (net) Rs. 484,318,067 (Previous Year: Rs.320,190,735) has been recognised and disclosed in Financial Statement.

13) Long Term Loans and Advances

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Loans		
Secured , considered good		
Vehicle and other Finance *	40,304,563,005	36,540,282,718
Secured , considered doubtful		
Vehicle and other Finance *	1,540,925,614	755,457,498
Unsecured, considered good		
Vehicle Finance	401,654,916	-
Security Deposits Unsecured, (considered good)	35,265,540	34,545,540
Other Loans and Advances (Unsecured, Considered good)		
Prepaid expenses	1,012,523	431,311
	42,283,421,598	37,330,717,067

* Secured by hypothecation of vehicles, and/or, equitable mortgage of immovable property, and/or, charge over current assets, and/or, undertaking to create a security.

Change in provisioning estimate for non-performing assets - Dealer Financing:

During the current year, the Company has revised the asset classification criteria for non-performing assets with respect to dealer financing and percentage of provisioning to be applied thereon (subject to minimum provisioning percentages prescribed by RBI) based on the historical experience of the loan portfolio in the past few years. Had the Company continued to apply the earlier asset classification criteria and provisioning percentages, provision for non-performing assets' would have been higher by Rs. 367,979,164 and 'profit before tax' and 'reserves and surplus' would have been lower by Rs. 367,979,164.

14) Trade Receivables

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
Others	23,941,827	126,948,500
(Refer note 30)		
	23,941,827	126,948,500

15) Cash and Bank balances

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Cash and Cash Equivalents		
Cash on Hand	565,760	198,836
Bank Balance in		
-Current Account	85,438,655	5,776,890
-Fixed Deposits (with maturity less than 3 months)	1,000,000,000	-
	1,086,004,415	5,975,726



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (Continued)
16) Short -Term Loans and Advances

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Loans		
Secured , considered good		
Vehicle and other Finance *	26,668,460,218	24,266,650,380
UnSecured , considered good		
Vehicle and other Finance *	644,857,097	508,495,000
Other Loans and Advances (Unsecured considered good)		
Advances recoverable in cash or in kind for the value to be received	16,994,699	12,995,938
Security Deposits	480,000	1,100,000
Advance Tax and Tax Deducted at Source ((Net of Provision of Rs 898,052,500(Previous year: Rs.545,552,500))	41,401,270	1,985,648
Prepaid expenses	19,791,279	23,907,025
Others	2,461,977	4,843,815
	27,394,446,540	24,819,977,806

* Secured by hypothecation of vehicles, and/or, equitable mortgage of immovable property, and/or, charge over current assets, and/or, undertaking to create a security.

17) Other Current Assets

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Unsecured, considered good		
Interest Accrued Not Due-Fixed Deposits	463,254	-
Interest Accrued Not Due- Vehicle and other Finance	282,373,667	269,394,660
Repossessed automobile assets	142,636,308	68,793,094
	425,473,229	338,187,754

18) Capital and other Commitments

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
Loans sanctioned but not disbursed (awaiting completion of documentation formalities by borrower)	26,796,678	173,349,222
Undrawn credit limits/Sanction amount by dealers relating to vehicle and other Finance	3,333,517,643	2,210,910,081
	3,360,314,321	2,384,259,303

19) Revenue From Operations

Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
Interest On Loans - Vehicle and other Finance	6,561,763,397	5,533,982,229
Subvention Income	90,145,599	80,334,884
Other Financial Services		
- Loan Processing Fees	70,710,682	89,518,774
- Documentation charges	8,617,605	9,907,267
- Incentive Fee	20,289,201	110,390,000
- Foreclosure Charges	101,017,735	78,476,800
- Other Operating Income	102,054,155	104,327,715
	6,954,598,374	6,006,937,669

20) Other Income

Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
Interest on Fixed Deposits	514,726	4,823,229
Dividend Income on current investments	1,232,848	1,219,069
Recovery of Bad Debts	40,424,078	-
Miscellaneous Income	720,898	604,508
	42,892,550	6,646,806

21) Employee Benefits Expenses

Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
Salaries, Bonus and Allowances	322,377,923	321,576,705
Contribution to Provident Fund and Other Funds [Refer Note (a) below]	12,948,791	14,137,782
Gratuity [Refer Note (b) below]	4,620,558	3,300,809
Staff Welfare	18,007,885	10,811,509
	357,955,157	349,826,805



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (Continued)

(a) Defined Contribution Plan

Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2015 to March 31, 2016 (Rupees)
Amount recognised in the Statement of Profit and Loss		
i) Provident fund paid to the authorities	7,503,849	7,420,675
ii) Pension fund paid to the authorities	4,513,845	5,396,346
iii) EDLI & others	931,097	1,320,761
	12,948,791	14,137,782

(b) Defined Benefit Plan

Gratuity

Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement whichever is earlier. The benefits vest after five years of continuous service.

The Company has a defined benefit plan for post-employment benefits in the form of Gratuity. The Company has taken a group gratuity policy with Life Insurance Corporation (LIC) which is funded. Gratuity Fund is administered through Trustees and/ or LIC and is a recognised fund under the Income Tax Act, 1961. The Company accounts for gratuity based on an actuarial valuation which is carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method. The adequacy of the accumulated fund balance available with LIC is compared with the gratuity liability as per the independent actuarial valuation at the year end and any shortfall, if any, is recognised in the financial statements.

Description of Benefit Plans	Funded Gratuity	
	March 31, 2018	March 31, 2017
A) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Opening Balance: Present value of obligation	13,923,861	10,139,296
Current service cost	3,649,099	3,301,610
Interest cost	1,212,698	1,074,565
Past Service cost	799,115	-
Benefits paid	(2,086,293)	(305,232)
Actuarial (gain) / loss on obligations	(332,322)	(286,378)
Closing Balance: Present value of obligation	17,166,158	13,923,861
B) Reconciliation of opening and closing balances of the fair value of plan assets		
Opening Balance: Fair value of plan assets	10,623,052	9,852,351
Expected return on plan assets	808,272	860,807
Contributions made	5,775,414	286,945
Benefits paid	(2,086,293)	(305,232)
Actuarial gain / (loss) on plan assets	(100,240)	(71,819)
Closing Balance: Fair value of plan assets	15,020,205	10,623,052
C) Reconciliation of present value of defined benefit obligation and fair value of plan assets to the assets and liabilities recognised in the Balance sheet		
Closing Balance: Present value of obligation	17,166,158	13,923,861
Closing Balance: Fair value of plan assets	15,020,205	10,623,052
Unrecognised past service cost	-	-
Net Asset / (Liability) recognised in Balance Sheet	(2,145,953)	(3,300,809)
Recognised under:		
Long Term Provisions (Refer Note 6)	(2,145,953)	(3,300,809)
Total	(2,145,953)	(3,300,809)



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (Continued)

Description of Benefit Plans	Funded Gratuity	
	31-Mar-18	31-Mar-17
D)Expenses recognised in the Statement of Profit and Loss		
Current service cost	3,649,099	3,301,610
Interest cost	1,212,698	1,074,565
Expected return on plan assets	(808,272)	(860,807)
Net actuarial (gain) / loss recognized	(232,082)	(214,559)
Past Service cost	799,115	-
Total Expenses		
(included under Employee benefits in Note 21)	4,620,558	3,300,809
E)Actual return on plan assets	708,032	788,988
F)Actuarial assumptions		
Discount rate	7.95%	7.25%
Expected rate of return on plan assets	7.50%	7.50%
Rate of increase in compensation levels	9.00%	9.00%
Attrition rate		
- Age (Years)		
21-30	16.00%	15.17%
31-40	11.00%	15.17%
41-59	12.00%	15.17%

Description of Benefit Plans	Funded Gratuity	
	31-Mar-18	31-Mar-17
Mortality rate	Indian Assured Life Mortality (2006-08) Ultimate	Indian Assured Life Mortality (2006-08) Ultimate
Retirement Age	60 years	60 years
G) Major category of Plan assets		
Insurer Managed Funds	100.00%	100.00%

H) Amount for the current and previous four years are as follows:

Particulars	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Defined Benefit Obligation	17,166,158	13,923,861	10,139,296	7,572,068	4,582,272
Plan Assets	15,020,205	10,623,052	9,852,351	6,297,647	4,809,983
Surplus / (deficit)	(2,145,953)	(3,300,809)	(286,945)	(1,274,421)	227,771
Experience adjustments on plan liabilities	(77,619)	(891,467)	(751,022)	(608,737)	(193,545)
Experience adjustments on plan assets	(100,240)	(71,819)	36,250	(5,068)	114,351

I) Expected contribution to the funds next year

Particulars	31-Mar-18	31-Mar-17
Gratuity Fund	2,000,000	3,300,000

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

22) Finance Cost

Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
Interest:		
- Term Loan	317,032,438	470,179,304
- Bank Overdraft	20,228,104	17,247,365
- On delayed payment of statutory and other dues	8,804	6,965,489
- on Non Convertible Debentures/Deep Discount Bonds	2,900,751,298	2,092,285,794
Other Finance Cost:		
- Discounting charge on Commercial Paper	730,424,718	697,287,602
	3,968,445,362	3,283,965,554

23) Depreciation and Amortisation Expense

Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
Depreciation on Tangible Assets	17,219,656	15,738,198
Amortisation of Intangible Assets	12,911,605	27,704,236
	30,131,261	43,442,434



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (Continued)
24) Other Expenses

Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
Rent (Refer note 26)	68,045,981	57,412,224
Electricity	3,265,543	4,302,605
Repairs and Maintenance - others	12,767,643	10,525,625
Insurance	229,675	201,092
Rates & Taxes #	4,563,784	11,610,203
Travelling	24,531,668	22,557,069
Auditor's Remuneration		
- Statutory Audit	6,200,000	6,000,000
- Tax Audit	200,000	200,000
- Other Services	2,150,000	1,800,000
- Reimbursement of expenses	388,625	418,121
- Others Expenses (Service Tax and GST)	898,157	637,012
Professional and consultancy	81,232,129	77,324,648
Director Sitting Fee	1,086,500	862,000
Recruitment Expenses	7,332,800	6,332,260
Printing and Stationery	8,457,980	8,751,723
Communication	18,175,909	20,638,240
Information Technology services	64,012,545	54,983,726
IT Stationary & Software	27,589,942	12,772,134
Collection Charges	161,652,407	96,701,722
Marketing	44,386,126	52,887,044
Advertisement	83,686	97,836
Postage and Courier	9,319,433	7,844,930
Entertainment	1,232,056	1,424,919
Commission to Dealers	416,307,921	481,352,335
Stamp Duty Charges	4,133,150	7,228,872
Conference	9,021,143	7,973,873
Expenditure towards Corporate Social Responsibility (CSR) activities*	13,005,704	3,324,770
Loss on Sale of Repossessed Vehicles	146,495,242	18,515,997
Bad Debts written off	378,250,592	102,201,894
Loss on account of asset discarded and/or written off	-	480,820
Diminution in value of re-possessed assets	53,696,703	7,257,463
Commercial papers, Debenture issue and other Finance expenses	44,672,136	47,438,470
Miscellaneous	38,353,116	10,940,984
	1,651,738,296	1,143,000,611

includes an amount of Rs. 2,542,000 (previous year Rs. 3,839,000) as stamp duty and ROC charges of Rs. 600 (previous year Rs. 1,200) towards increase in share capital/issue of paid up share capital.

*Expenditure towards Corporate Social Responsibility (CSR) activities

Gross Amount required to be spent by the company during the year - Rs. 12,637,443

Amount spent during the year on

Particulars	Paid prior to the year end	Yet to be paid in cash	Total
1. Construction/acquisition of any asset	3,434,292	7,404,402	10,838,694
2. On purpose other than above - Contribution to Prime Minister's National Relief Fund	2,167,010	-	2,167,010

25) Expenditure in foreign currency

Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
Professional fees	3,553,873	2,582,336
Salaries, Bonus and Allowances	13,930,679	22,691,545
Staff Welfare	260,564	603,461
Training	-	98,926
Information Technology	114,010	115,981
	17,859,126	26,092,249

The details of unhedged foreign currency exposure as at the year end are as follows

Particulars	Foreign Currency	Year end	Indian Rupees equivalent	Amount in Foreign Currency
Payable	JPY	31-Mar-18	4,593,545	7,492,066
		31-Mar-17	26,224,821	34,960,571
	USD	31-Mar-18	548,102	8,443
		31-Mar-17	282,236	4,191
	THB	31-Mar-18	948,313	456,708
		31-Mar-17	1,010,121	504,993



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (Continued)
26) Operating Leases

The Company has entered into operating lease agreements for office premises. The leases for the office premises are non-cancellable in nature for a period 3 to 5 years. The leases provide for upto 5% increase in rent within the non-cancellable period. The Company has paid refundable interest free security deposits of Rs. 35,642,140 (Previous Year: Rs. 33,962,140) in respect of these leases.

Particulars	March 31, 2018 (Rupees)	March 31, 2017 (Rupees)
(a) Lease payments recognised in the Statement of Profit and Loss during the year	68,045,981	57,412,224
(b) With respect to non-cancellable operating leases, the future minimum lease		
- Not later than one year	48,829,959	46,471,034
- Later than one year but not later than five years	117,003,146	162,698,405
- Later than five years	-	-

27) Earning Per Share

Particulars		April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
Profit/(Loss) after Tax	A	340,610,802	489,557,714
<u>Number of Equity Shares:</u>			
Number of shares at the beginning of the year		863,855,310	701,355,310
Equity shares allotted on Jul 19, 2017 (Previous Year: Aug 19, 2016)		94,117,647	162,500,000
Weighted average number of equity shares outstanding	B	929,866,591	801,081,337
Basic and Diluted Earnings Per Share	A/B	0.37	0.61
Face value per share (Rs.)		10	10

28) Segment Reporting

In accordance with Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company is engaged primarily in the business of vehicle and other Financing and accordingly there are no separate reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability and total cost incurred to acquire segment assets, is as reflected in the Financial Statements as of and for the year ended March 31, 2018. There is no distinguishable component of the Company engaged in providing services in a different economic environment. The Company renders services in one geographical segment and has no offices outside India. Hence there are no reportable geographical segments.

29) Disclosures relating to Specified Bank Notes*(SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	9,366,500	10,162	9,376,662
(+) Permitted receipts	-	42,948,613	42,948,613
(+) Non-Permitted receipts/others#	640,500	-	640,500
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	10,007,000	39,809,341	49,816,341
Closing cash in hand as on 30 December 2016	-	3,149,434	3,149,434

*Specified Bank (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016

NBFCs rely on third party collection agencies for the collections from customers. During the period from November 9, 2016 to December 30, 2016, collection agencies had deposited Specified Bank Notes of Rs. 640,500 in the Company's bank accounts.



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (Continued)
30) Related Party Disclosures in accordance with Accounting Standard 18

a) Names of related parties and nature of relationship:

Nature of relationship	Names of related parties
(i) Ultimate Holding Company	Toyota Motor Corporation, Japan*
(ii) Holding Company	Toyota Financial Services Corporation, Japan
(iii) Fellow Subsidiaries (parties under common control)	1. Toyota Kirloskar Motor Private Limited 2. Toyota Leasing (THAILAND) Co. Ltd
(iv) Key Management Personnel	Tomohei Matsushita – Managing Director and CEO Akihiko Sekiguchi - Chief Financial Officer (upto December 2017) Norimasa Ogawa - Chief Financial Officer (From January, 2018)

* Parties with whom no transactions during the current year.

(b) The following transactions were carried out with related parties in the ordinary course of business during the year:

				March 31, 2018	(Rupees)
Nature of transaction	Holding Company	Fellow Subsidiaries		Key Management Personnel	Total
		Toyota Kirloskar Motor Private Limited	Toyota Leasing (THAILAND) Co Ltd		
Transactions:					
Remuneration to Managing Director	861,1740*	₹ -	₹ -	11,711,009	20,322,749
Remuneration to Chief Financial Officer	5,266,191*	₹ -	₹ -	14,088,978	19,355,169
Professional fees	1,606,935	7,370,049	1,946,938	₹ -	10,923,922
Staff Welfare	260,564	₹ -	₹ -	₹ -	260,564
IT Network Communication	₹ -	5,481,405	₹ -	₹ -	5,481,405
Training expenses	₹ -	150,450	₹ -	₹ -	150,450
Allotment of Equity Shares (including securities premium of Rs.658,823,529)	1,599,999,999	₹ -	₹ -	₹ -	1,599,999,999
Receipt of Relocation Expenses	₹ -	₹ -	₹ -	₹ -	₹ -
Incentive Fees** (Refer note 19)	₹ -	20,289,201	₹ -	₹ -	20,289,201
Balances as at year end:					
Trade Receivables (Refer note 14)	₹ -	23,941,827	₹ -	₹ -	23,941,827
Trade Payable*	5,141,647	3,205,999	948,313	₹ -	9,295,959

*Reimbursement of Expatriate salaries to Holding Company.

** Based on incentive schemes entered into with Toyota Kirloskar Motors Private Limited('TKM') during the current year incentive amounting to Rs. 20,289,201 (Previous Year Rs. 110,390,000), were ascertained and recognised for the year ended March 31, 2018. An amount of Rs. 23,941,827 (including GST) (Previous Year Rs.126,948,500) was outstanding at the Balance sheet date.

				March 31, 2017	(Rupees)
Nature of transaction	Holding Company	Fellow Subsidiaries		Key Management Personnel	Total
		Toyota Kirloskar Motor Private Limited	Toyota Leasing (THAILAND) Co Ltd		
Transactions:					
Remuneration to Managing Director	11,832,038*	-	-	13,162,270	24,994,308
Remuneration to Chief Financial Officer	6,456,146*	-	-	18,757,773	25,213,919
Reimbursement of Employee cost	4,403,361*	-	-	-	4,403,361
Professional fees	1,176,378	5,053,558	1,405,958	-	7,635,894
Staff Welfare	603,461	-	-	-	603,461
IT Network Communication	-	5,600,000	-	-	5,600,000
Training expenses	98,926	-	-	-	98,926
Allotment of Equity Shares (including securities premium of Rs.975,000,000)	2,600,000,000	-	-	-	2,600,000,000
Receipt of Relocation Expenses	-	-	87,650	-	87,650
Incentive Fees** (Refer note 19)	-	110,390,000	-	-	110,390,000
Balances as at year end:					
Trade Receivables (Refer note 14)	-	126,948,500	-	-	126,948,500
Trade Payable*	22,973,781	6,237,477	922,471	-	30,133,729



TOYOTA FINANCIAL SERVICES INDIA LIMITED

Notes to the Financial Statements for the year ended March 31, 2018 (Continued)

31) Note on the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company in terms of para 16(5) Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

a) Capital

S.No	Particulars	April 1, 2017 to March 31, 2018	April 1, 2016 to March 31, 2017
i)	CRAR (%)	18.80	17.55
ii)	CRAR - Tier I Capital (%)	18.41	17.17
iii)	CRAR - Tier II Capital (%)	0.39	0.38
iv)	Amount of Subordinated debt raised as Tier-II Capital (Amount in Rs.)	-	-
v)	Amount raised by issue of Perpetual Debt Instruments (Amount in Rs.)	-	-

b) Investments

S.No	Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
1	Value of Investments	-	-
	(i) Gross Value of Investments	-	-
	(a) In India	-	-
	(b) Outside India	-	-
	(ii) Provisions for Depreciation	-	-
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net Value of Investments	-	-
	(a) In India	-	-
	(b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments	-	-
	(i) Opening balance	-	-
	(ii) Add: Provisions made during the year	-	-
	(iii) Less : Write-off / write-back of excess provisions during the year	-	-
	(iv) Closing balance	-	-

c) Derivatives

(i) Forward Rate Agreement/ Interest Rate Swap

S.No	Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
(i)	The notional principal of swap agreements	-	-
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into Swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	-	-

(ii) Exchange Traded Interest Rate (IR) Derivatives

S.No	Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March (instrument-wise)	-	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (Continued)

(iii) Disclosures on Risk Exposure in Derivatives

(A) Quantitative Disclosures

Disclosure relating to risk management policies pertaining to derivatives is not applicable to the Company as the Company has not used derivatives during the year and previous year.

(B) Quantitative Disclosures

S.No.	Particular	April 1, 2017 to March 31, 2018 (Rupees)		April 1, 2016 to March 31, 2017 (Rupees)	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount) For hedging	-	-	-	-
(ii)	Marked to Market Positions [1]				
	a) Asset (+)	-	-	-	-
	b) Liability (-)	-	-	-	-
(iii)	Credit Exposure [2]	-	-	-	-
(iv)	Unhedged Exposures	-	-	-	-

(d) (i) Disclosures relating to Securitisation

S.No.	Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
1	No of SPVs sponsored by the NBFC for securitisation transactions	-	-
2	Total amount of securitised assets as per books of the SPVs sponsored	-	-
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-	-
	a) Off-balance sheet exposures	-	-
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures	-	-
	First loss	-	-
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR	-	-
	a) Off-balance sheet exposures	-	-
	(i) Exposure to own securitizations	-	-
	First loss	-	-
	Loss	-	-
	(ii) Exposure to third party securitisations	-	-
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures	-	-
	(i) Exposure to own securitisations	-	-
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations	-	-
	First loss	-	-
	Others	-	-

(ii) Details of Financial Assets sold to Securitisation/Reconstruction company for Asset Reconstruction

S.No.	Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of	-	-
(v)	Aggregate gain / loss over net book value	-	-



TOYOTA FINANCIAL SERVICES INDIA LIMITED

Notes to the Financial Statements for the year ended March 31, 2018 (Continued)

(iii) Details of Assignment transactions undertaken

S.No.	Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of	-	-
(v)	Aggregate gain / loss over net book value	-	-

(iv) Details of Non performing financial assets purchased/sold

A. Details of non-performing financial assets purchased :

S.No.	Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
1.	a) No. of accounts purchased during the year	-	-
	b) Aggregate outstanding	-	-
2.	a) Of these, number of accounts restructured during the year	-	-
	b) Aggregate outstanding	-	-

B. Details of Non-performing Financial Assets sold :

S.No.	Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
1.	No. of accounts sold	-	-
2.	Aggregate outstanding	-	-
3.	Aggregate consideration received	-	-

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TOYOTA FINANCIAL SERVICES INDIA LIMITED

Notes to the Financial Statements for the year ended March 31, 2018 (Continued)

(v) Maturity pattern of certain assets and liabilities as at March 31, 2018

As on March 31, 2018		(Amount in Rupees)							
	Upto 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Liabilities									
Borrowings **	2,771,510,285	4,377,086,809	3,491,817,149	7,334,039,071	7,791,722,067	29,104,610,383	-	-	54,870,785,764
Assets *									
Advances (net of NPA provision)	4,555,160,978	3,471,106,909	2,669,490,949	5,991,900,467	10,625,658,012	30,516,938,131	9,842,041,584	829,743,617	68,502,040,647
Fixed Deposits	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Foreign Currency Assets #	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities #	-	-	-	-	-	-	-	-	-
As on March 31, 2017		(Amount in Rupees)							
	Upto 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Liabilities									
Borrowings **	4,299,387,339	1,977,981,010	1,968,316,446	4,924,301,774	10,764,752,650	22,000,000,000	3,000,000,000	-	48,934,739,219
Assets *									
Advances (net of NPA provision)	4,875,798,750	3,516,113,185	2,513,783,415	5,004,747,767	8,864,702,263	27,332,655,514	8,658,744,026	943,559,676	61,710,104,596
Fixed Deposits	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Foreign Currency Assets #	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities #	-	-	-	-	-	-	-	-	-

* Excludes advance income tax/ tax deducted at source (net of provisions) and other advances (not related to lending activity).

** Borrowing towards commercial paper and Deep Discount Bonds is net of discounting charges

The Company do not have any foreign currency assets and liabilities in relation to its principal operations

Income/ Expenses accrued but not due on the above assets/ liabilities are excluded

Maturity Pattern of Assets and Liabilities has been compiled by the Management on contractual payment basis (except for Bank Overdraft and Advances for Dealer Financing, where it is based on management's estimation).



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (Continued)

(e) Exposures

(i) Exposure to Real Estate Sector

Category	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
<u>Direct Exposure</u>		
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	-	-
(iii) Investments in Mortgage Backed Securities(MBS) and other securitised exposures -	-	-
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	-	-

(ii) Exposure to Capital Market

Particulars	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	-	-

(iii) Details of financing of parent company products

The Company is primarily engaged only in auto financing of Fellow subsidiary products. Loans and Advances includes Vehicle finance, which comprise primarily of either Loans to customers for purchasing Toyota cars and accessories or Loans to Dealers engaged in dealing in Toyota cars and accessories.

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

The Company has not exceeded the prudential exposure limits of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) during the year.

(v) Unsecured Advances

The total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc has been taken is Nil (March 31, 2017: Nil).



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (Continued)
(f) Miscellaneous
(i) Registration obtained from other financial sector regulators

The Company has not obtained registration from other financial sector regulators.

(ii) Disclosure of Penalties imposed by RBI and other regulators

Penalties imposed by RBI and other regulators on the Company is Nil (Previous Year: Nil)

(iii) Ratings assigned by credit rating agencies and migration of ratings during the year

S. No.	Instrument	Rating	Rating Agency	Date of Rating
1	Redeemable Non-Convertible Debentures	AAA	CRISIL Limited	February 18, 2014
2	Commercial Papers	A1+	CRISIL Limited	February 18, 2014

There have not been any migrations during the year.

(iv) Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items included in the current year's Statement of Profit and Loss.

(v) Revenue Recognition

There is no revenue which has been postponed pending the resolution of significant uncertainties, except for revenue from non performing assets identified by the company

(g) Additional Disclosures
(i) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
Provisions for depreciation on Investment	-	-
Provision towards NPA	697,639,203	93,571,654
Provision made towards Income tax	352,500,000	411,074,500
Other Provision and Contingencies (Provision for Gratuity and Compensated absences)	2,383,987	4,750,231
Contingent Provision for Standard Assets, including future potential losses	(237,401,825)	343,815,500

(ii) Draw Down from Reserves

The Company has not made any draw down from reserves.

(iii) Concentration of Deposits, Advances, Exposures and NPAs
(A) Concentration of Deposit

The Company is a non deposit taking NBFC and has not obtained any deposit from depositors.

(B) Concentration of Advances

	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
Total Advances to twenty largest borrowers	7,828,450,804	8,256,606,333
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	11.43%	13.30%

(C) Concentration of Exposures

	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
Total Exposure to twenty largest borrowers / customers	10,057,900,926	9,736,704,372
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	14.00%	15.11%

(D) Concentration of NPAs

	April 1, 2017 to March 31, 2018 (Rupees)	April 1, 2016 to March 31, 2017 (Rupees)
Total Exposure to top four NPA accounts	1,229,685,754	248,171,419



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (Continued)
(h) Disclosure on Restructured Advances

SI No	Type of Restructuring → Asset Classification → Details ↓	Standard	Sub Standard	Others Doubtful	Loss	Total
	No. of borrowers		14			14
1	Restructured Accounts as on April 1 of the FY (opening figures) *#		16,699,880			16,699,880
	Amount outstanding					
	Provision thereon		1,669,988			1,669,988
2	Fresh restructuring during the year					
	No. of borrowers					
	Amount outstanding					
	No. of borrowers					
3	Upgradations to restructured standard category during the FY					
	Amount outstanding					
	Provision thereon					
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY					
	No. of borrowers					
	Amount outstanding					
	Provision thereon					
5	Downgradations of restructured accounts during the FY					
	No. of borrowers					
	Amount outstanding					
	Provision thereon					
6	Write-offs of restructured accounts during the FY					
	No. of borrowers					
	Amount outstanding					
	Provision thereon					
7	Restructured Accounts as on March 31 of the FY (closing figures)					
	Amount outstanding					
	Provision thereon					

Note: Since the disclosure of restructured advance accounts pertains to section "Others", the first two sections, namely, "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per format prescribed in the guidelines are not included above.

* Company in the year 2015-16 had restructured the loans by granting the additional time to the borrowers affected by Tamil Nadu floods.

Upgraded during the year



TOYOTA FINANCIAL SERVICES INDIA LIMITED
Notes to the Financial Statements for the year ended March 31, 2018 (Continued)
(E) Sector-wise NPAs

Sl.No.	Sector	Percentage of NPAs to Total Advances in that sector	
		April 1, 2017 to March 31, 2018	April 1, 2016 to March 31, 2017
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans*	2.79%	1.22%
7	Other personal loans	-	-

* Includes financing to Dealers / Other corporate customers on cars and accessories.

(iv) Movement of NPAs

Sl.No.	Sector	April 1, 2017 to March 31, 2018 (Rupees)**	April 1, 2016 to March 31, 2017 (Rupees)**
(i)	Net NPAs to Net Advances (%)	1.29	0.64
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	755,457,498	445,976,303
	(b) Additions during the year	3,050,534,096	1,151,981,403
	(c) Reductions during the year	1,863,411,064	842,500,208
	(d) Closing balance	1,942,580,530	755,457,498
(iii)	Movement of Net NPAs		
	(a) Opening balance	394,676,498	178,766,957
	(b) Additions during the year	1,998,476,140	665,982,500
	(c) Reductions during the year	1,508,992,311	450,072,959
	(d) Closing balance	884,160,327	394,676,498
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	360,781,000	267,209,346
	(b) Provisions made during the year	1,052,057,956	485,998,902
	(c) Write-off / write-back of excess provisions	354,418,753	392,427,248
	(d) Closing balance	1,058,420,203	360,781,000

**working based on monthly movement of NPAs

(v) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The Company does not have any Overseas Assets (for those with Joint Ventures and Subsidiaries abroad).

(vi) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have any off-balance sheet SPVs sponsored.

(i) Disclosure of Customer Complaints

Sl.No.	Particulars	April 1, 2017 to March 31, 2018	April 1, 2016 to March 31, 2017
(a)	No. of complaints pending at the beginning of the year	-	-
(b)	No. of complaints received during the year	589	850
(c)	No. of complaints redressed during the year	564	850
(d)	No. of complaints pending at the end of the year	25	-



TOYOTA FINANCIAL SERVICES INDIA LIMITED

Notes to the Financial Statements for the year ended March 31, 2018 (Continued)

32) Disclosure of Frauds reported during the year vide DNBS.PD.CC NO.256/03.10.042/2011-12 Dated March 02, 2012

Particulars	April 1, 2017 to March 31, 2018	April 1, 2016 to March 31, 2017
a. Persons involved		
Customers	8,446,420	13,579,237
Total	8,446,420	13,579,237
b. Type of Fraud		
Misappropriation and criminal breach of trust	-	-
Fraudulent encashment/ manipulation of books of account	-	-
Cheating and forgery	8,446,420	13,579,237

33) Non-Banking Financial Company- Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are given in Annexure I.

34) Prior year comparatives

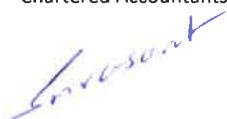
Previous year's figures have been re-grouped/ re-classified wherever necessary to correspond with the current year's classification/ disclosure.

Signatures to notes 1 to 34 forms part of the financial statements and to the above notes.

For Price Waterhouse

Firm Registration No. 301112E

Chartered Accountants



Sharad Vasant

Partner

Membership No.101119

Bangalore

May 24, 2018

For and on behalf of the Board of Directors



Tomohei Matsushita

Managing Director &

CEO

DIN:07335725

Bangalore

May 24, 2018



Asha Sampath

Director

DIN:02160962

Bangalore

May 24, 2018



Norimasa Ogawa

Chief Financial Officer

Bangalore

May 24, 2018



Reena Mary

Company Secretary

ACS23518

Bangalore

May 24, 2018

Schedule to the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company

(Rs. in lakhs)

* Excludes advance income tax/tax deducted at source (net of provisions) and other advances (not related to lending activity)



TOYOTA FINANCIAL SERVICES INDIA LIMITED
ANNEXURE 1 FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Schedule to the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company

	Amount Outstanding
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	Amount net of provisions
	Secured Unsecured Total
1. Related Parties	
(a) Subsidiaries	- - -
(b) Companies in the same group	- - -
(c) Other related parties	- - -
2. Other than related parties	678,572 6,448 685,020
Total	678,572 6,448 685,020
(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Please see note 3 below)	
Category	Market Value/ Break-up or fair value or NAV Book Value (Net of Provisions)
1. Related Parties	
(a) Subsidiaries**	- -
(b) Companies in the same group	- -
(c) Other related parties	- -
2. Other than related parties	
Total	- -
** As per Accounting Standard of ICAI (Please see Note 3)	
(7) Other Information	
Particulars	Amount
(i) Gross Non Performing Assets	
(a) Related Parties	-
(b) Other than related parties	19,426
(ii) Net Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	8,842
(iii) Assets acquired in satisfaction of debt	1,426

Notes:

1. The provision -point xix of paragraph 3 of chapter -2 of the these Directions is applicable to NBFC- MFI
2. Provisioning norms shall be applicable as prescribed in Master Direction- Non- Banking Financial Company- Systemically Important Non- Deposit taking Company and Deposit taking Company (Rserve Bank) Directions, 2016.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other 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 irrespective of whether they are classified as long term or current in (4) above.



NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the shareholders of Toyota Financial Services India Limited shall be held at 4.00 P.M. on Wednesday, September 12, 2018 at the registered office of the Company at No. 21, Centropolis, First Floor, 5th Cross Langford Road, Shanti Nagar Bangalore-560025 to transact, with or without modification(s) as may be permissible, the following business:

Ordinary Business:

1. Receive, consider and adopt the audited Financial Statements of the Company as on March 31, 2018, including the audited Balance Sheet as on March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date together with Reports of Directors and Auditors thereon.
2. Reappointment of Mr. Akito Tachibana (DIN: 07411338), as Director who is liable to retire by rotation, who offers himself for reappointment.
3. Appoint Statutory Auditors and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and any statutory modification(s) or reenactment(s) thereof for the time being in force and Rules, Circulars and Guidelines issued by the Reserve Bank of India from time to time and the Rules/ Regulations/ Guidelines, if any, prescribed by any relevant authorities from time to time, and based on recommendation by the Audit Committee and Board of Directors of the Company, M/s. B S R & Associates LLP (Registration No 116231W/ W100024), Chartered Accountants be and is hereby appointed as Statutory Auditors of the Company to hold office for a period of 05 (five years) from the conclusion of Seventh Annual General Meeting held in calendar year 2018 till the conclusion of Twelfth Annual General Meeting to be held in calendar year 2023 and that the Board of Directors with recommendation from Audit Committee of the Company be hereby authorised to fix remuneration payable to them in consultation with Statutory Auditors.”

Special Business:

4. Re-appointment of Ms. Asha Sampath (DIN: 02160962) as Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

“Resolved that pursuant to Section 152 and Section 149 of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014, and all other applicable provisions of the Companies Act, 2013 and rules & regulations made thereunder, if any (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company, the extant Guidelines and Circulars on appointment of Directors issued by Reserve Bank of India and the Rules/ Regulations/ Guidelines, if any, prescribed by any relevant authorities from time to time, and based on recommendation by the Nomination and Remuneration Committee and Board of Directors of the Company, Ms. Asha Sampath (DIN: 02160962), who was appointed as Independent Director of the Company at the last Annual General Meeting held on August 29,

2017 and whose term of office expires at this Annual General Meeting (“AGM”) and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director to hold office for a period of 03 (three) years from the conclusion of the Seventh Annual General Meeting till the conclusion of the Tenth Annual General Meeting;”

“Resolved further that any Director of the Company or Mr. Norimasa Ogawa, Chief Financial Officer, be and are hereby authorized to severally do all such acts, deeds and things to give effect to the above resolution including but not limited to filing requisite forms and returns with the Ministry of Corporate Affairs.”

5. Appointment of Mr. Atsushi Oki (DIN: 08049604) as Director of the Company:

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as **Ordinary Resolution**:

“Resolved that Mr. Atsushi Oki (DIN: 08049604) who was appointed as Non-Executive Additional Director with effect from February 01, 2018 by the Board of Directors in terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, proposing his candidature for the office of director, be and is hereby appointed as Director of the Company.”

“Resolved further that any Director of the Company or Mr. Norimasa Ogawa, Chief Financial Officer or the Company Secretary, be and are hereby severally authorized to severally do such acts, deeds and things to give effect to the above resolution including but not limited to filing requisite forms and returns with the Ministry of Corporate Affairs.”

6. Issue of Non - Convertible Debentures

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

“Resolved that subject to the provisions of Section 180 (1) (c), Section 42, Section 71 of the Companies Act, 2013, and all other applicable provisions of the Companies Act 2013 and rules & regulations made there under, if any (including any other statutory modification or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the Board of Directors of the Company, for a period of 1 (one) year from the date hereof, to raise funds for its general corporate purposes by way of issuance of non-convertible debentures in one or more tranches/ series, on such terms and conditions as may be determined by the Board of Directors, provided that the aggregate amount raised through the issuance of the Non-Convertible Debentures pursuant to the authority under this resolution along with the Non-Convertible Debentures already issued by the Company remains below the limit of INR 56,000 Million (Rupees Fifty Six Thousand Million only).”

“Resolved further that the consent of the members be and is hereby accorded to the Board of Directors of the Company to determine the price at which any non-convertible debentures are being issued in one or more tranches/ series pursuant to the authority granted under the resolution referred to above, on the basis of the prevailing market conditions.”

“Resolved further that the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolution.”

By order of the Board of Directors

Sd/-

Reena Mary
Company Secretary

Date: 20.08.2018

Place: Bangalore

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER. The instrument appointing the proxy, in order to be effective, must be deposited at the Company’s Registered Office, duly completed and signed, not less than 48 (Forty Eight) hours before the AGM. Proxies submitted on behalf of limited companies, etc. must be supported by appropriate resolutions or authority, as applicable. A person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
2. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. Corporate Members intending to send their authorised representatives to attend and vote at the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. All documents referred to in the accompanying notice and the statement shall be open for inspection at the Registered Office of the Company during normal business hours from 11 a.m. to 1 p.m. on all working days, up to and including the date of the Annual General Meeting of the Company and will also be available for inspection at the meeting.

Annexure to Notice:

Explanatory Statement pursuant to section 102 of the Companies Act, 2013

Item no. 4:

Ms. Asha Sampath was appointed as Independent Director at last Annual General Meeting on August 29, 2017 to hold office till the ensuing Annual General Meeting ('AGM') pursuant to provisions of Section 161 of the Companies Act, 2013, read with Articles of Association of the Company. It is proposed to appoint Ms. Asha Sampath as Independent Director for the second term, for a period of 03 (three) years from conclusion of this annual general meeting till conclusion of the tenth annual general meeting in terms of Section 149(10) of the Companies Act, 2013

Ms. Asha Sampath is a Chartered Accountant from the Institute of Chartered Accountants of India and also a Company Secretary from the Institute of Company Secretaries of India. She has about 26 years of experience in the field of finance and her last stint included the position of Managing Director at Endeka Ceramics India Private Limited, a European MNC. Your Board of Directors felt that her experience in the field of Finance would contribute to the business of the Company.

In pursuance of Section 152 of the Companies Act, 2013 read with rules made thereunder, it is legally required that a Director (other than additional director) can be appointed in the company only with the consent of the members of the Company at a general meeting. Ms. Asha Sampath has given a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and other necessary declarations as in terms of the Companies Act, 2013 and the directions of the Reserve Bank of India have been obtained.

In the opinion of the Board, Ms. Asha Sampath, proposed to be appointed fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and the Reserve Bank of India and that the proposed director is independent of the management. None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, other than Ms. Asha Sampath are interested or concerned in the resolution.

The Board and Nomination and Remuneration Committee recommend her appointment and recommend the resolution for approval of the members.

Item no 5:

Mr. Atsushi Oki was appointed as Additional Non-Executive Director with effect from February 1, 2018 to hold office till this Annual General Meeting ('AGM') pursuant to provisions of Section 161 of the Companies Act, 2013, read with Articles of Association of the Company. Mr. Atsushi Oki being eligible, is proposed to be appointed as Director of the Company who shall be eligible for retirement on rotation.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, other than Mr. Atsushi Oki is interest or concerned in the resolution.

The Board and Nomination and Remuneration Committee recommend his appointment and recommend the resolution for approval of the members.

Item no. 6:

Pursuant to Section 42 and Section 71 of the Companies Act, 2013, the shareholders are requested to provide necessary approvals to the Board of the Company for raising funds through the issuance of Non-Convertible Debentures for a period of 1 year, within the borrowing limits approved by the Shareholders.

The said approval shall be the basis for the Board to determine the terms and conditions of any issuance of non-convertible debentures by the Company for a period of 1 year from the date on which the Shareholders have provided the approval by way of special resolution. All Non-Convertible Debentures issued by the Company pursuant to such authority granted by the Shareholders shall be priced on the basis of the prevailing market conditions and as specifically approved by the Board at such time.

Your Directors commend the special resolution as set out in Item No. 6 of the accompanying notice for your approval.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

By order of the Board of Directors

Sd/-

Reena Mary
Company Secretary

Date:20.08.2018
Place: Bangalore

PROXY FORM

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

TOYOTA FINANCIAL SERVICES INDIA LIMITED

Registered office: No. 21, Centropolis, First Floor, 5th Cross Langford Road, Shanti Nagar, Bangalore-560025

Corporate Identity Number: U74900KA2011FLC058752

www.toyotafinance.co.in

7th Annual General Meeting- _____

Name of the Member(s)	
Registered address	
Email Id	
Folio No.	

I/ We, being the holder(s) of _____ equity shares of Toyota Financial Services India Limited, hereby appoint

1. Name : _____ E-mail id: _____
Address: _____

Signature: _____ or falling him/her

2. Name : _____ E-mail id: _____
Address: _____

Signature: _____ or falling him/her

3. Name : _____ E-mail id: _____
Address: _____

Signature: _____ or falling him/her

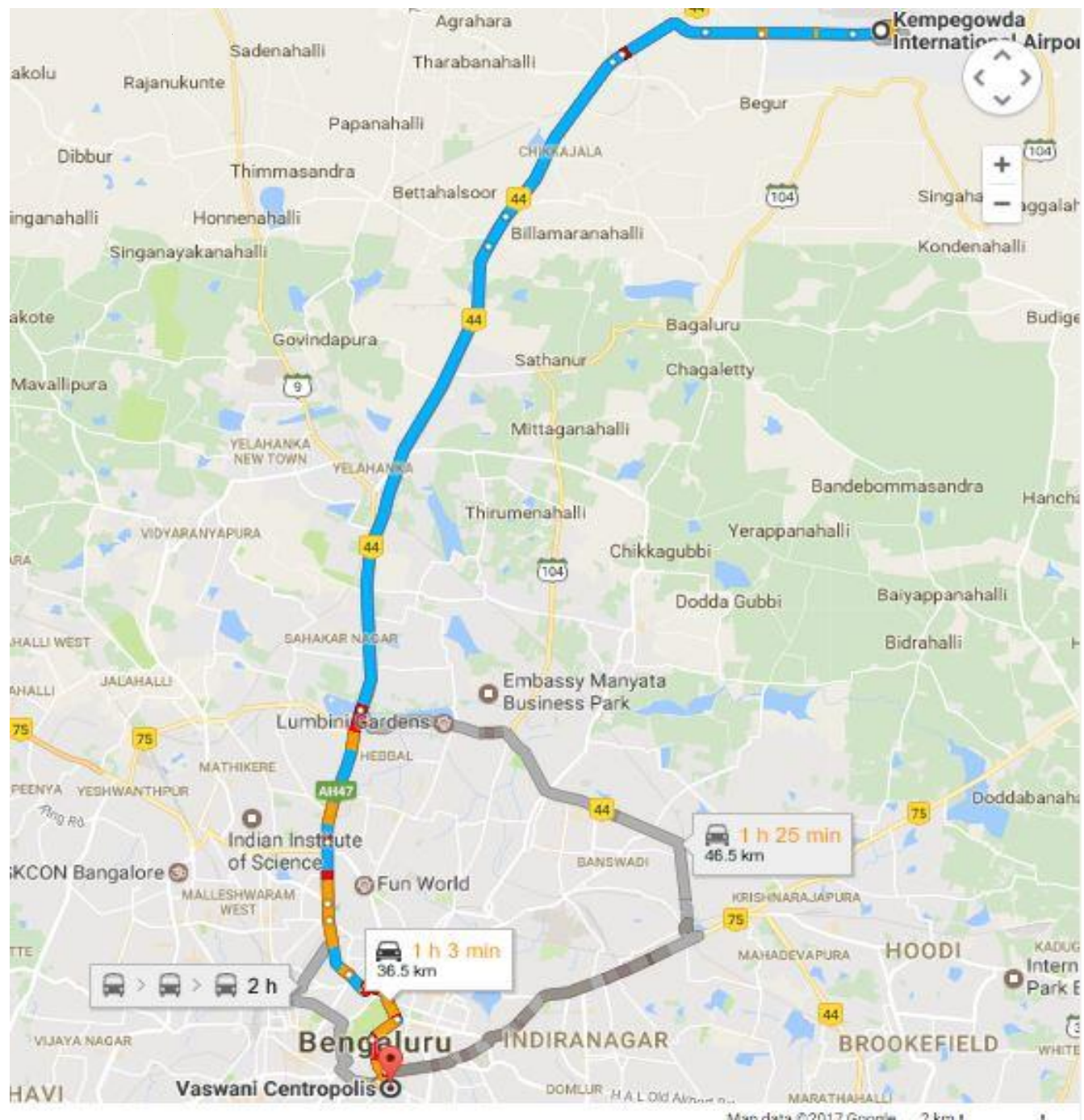
As my/ our proxy to attend and vote for me/us and on my/our behalf at the 7th Annual General Meeting of the Company to be held on _____, at ____ a.m. at No. 21, Centropolis, First Floor, 5th Cross Langford Road, Shanti Nagar, Bangalore-560025, India and at any adjournment thereof in respect of such resolution as are indicate the Notice.

Signed this _____ day of _____ 2018

Signature of Shareholder _____ Signature of Proxy holder (s) _____

Note: this form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

Landmark: Near ICICI Bank



Specimen Attendance Slip

Name of the Company: **TOYOTA FINANCIAL SERVICES INDIA LIMITED**
Registered Address: **NO. 21 CENTROPOLIS, FIRST FLOOR, 5TH CROSS LANGFORD ROAD, SHANTI NAGAR BANGALORE KA
560025 IN**
CIN: **U74900KA2011FLC058752** Email: cs@tfsin.co.in Telephone: **080-2344-2800**
Website: www.toyotafinance.co.in

ATTENDANCE SLIP

Seventh Annual General Meeting (2018-19):

Folio No. / DP ID Client ID No.	
Name of First named Member/Proxy/ Authorised Representative	
Name of Joint Member(s), if any:	
No. of Shares held	

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/we hereby record my/our presence at the Annual General Meeting of the Company being held on _____, _____, **2018 at
time _____ P.M** at First Floor, No. 21 Centropolis, 5th Cross, Langford Road, Shanti Nagar Bangalore-560025

Signature of First holder/Proxy/Authorised Representative

Signature of 1st Joint holder

Signature of 2nd Joint holder

Note(s) :

1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the MEETING VENUE.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.



TOYOTA FINANCIAL SERVICES INDIA LIMITED

Regd. Office : No.21, Centropolis, First Floor, 5th Cross,
Langford Road, Shanti Nagar, Bangalore - 560 025