



**HINDUJA LEYLAND FINANCE LIMITED**  
Consolidated Balance Sheet as at 31 March 2023

|   |          | INR In Lakh            |                        |
|---|----------|------------------------|------------------------|
| Particulars   | Note No. | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>ASSETS</b>   |          |                        |                        |
| <b>Financial assets</b>   |          |                        |                        |
| Cash and cash equivalents   | 6        | 1,04,677               | 81,070                 |
| Bank balance other than cash and cash equivalents   | 7        | 22,068                 | 3,959                  |
| Loans   | 8        | 28,41,560              | 21,76,754              |
| Investments   |          |                        |                        |
| (i) Investments accounted for using equity method   | 9(i)     | 1,188                  | 1,504                  |
| (ii) Other investments  | 9(ii)    | 1,81,783               | 1,17,627               |
| Other financial assets  | 10       | 61,310                 | 39,428                 |
|   |          | <b>32,12,586</b>       | <b>24,20,342</b>       |
| <b>Non-financial assets</b>   |          |                        |                        |
| Current tax assets (net)  |          | 6,795                  | 9,426                  |
| Property, plant and equipment   | 11       | 10,334                 | 8,356                  |
| Capital work-in-progress  | 11A      | 381                    | 44                     |
| Other intangible assets   | 11B      | 125                    | 69                     |
| Right of use assets   | 11C      | 4,988                  | 3,594                  |
| Other non-financial assets  | 12       | 6,729                  | 5,775                  |
|   |          | <b>29,352</b>          | <b>27,264</b>          |
| <b>Total assets</b>   |          | <b>32,41,938</b>       | <b>24,47,606</b>       |
| <b>LIABILITIES AND EQUITY</b>   |          |                        |                        |
| <b>LIABILITIES</b>  |          |                        |                        |
| <b>Financial liabilities</b>  |          |                        |                        |
| Payables  |          |                        |                        |
| Trade payables  | 13       |                        |                        |
| (i) total outstanding dues of micro enterprises and small enterprises                       |          | -                      | -                      |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |          | 3,256                  | 3,408                  |
| Debt securities   | 14       | 95,917                 | 1,32,816               |
| Borrowings (other than debt securities)   | 15       | 23,93,290              | 17,00,657              |
| Subordinated liabilities  | 16       | 1,04,329               | 1,22,141               |
| Other financial liabilities   | 17       | 62,500                 | 59,673                 |
|   |          | <b>26,59,292</b>       | <b>20,18,695</b>       |
| <b>Non-financial liabilities</b>  |          |                        |                        |
| Provisions  | 18       | 371                    | 377                    |
| Deferred tax liabilities (net)  | 32       | 21,351                 | 17,080                 |
| Other non-financial liabilities   | 19       | 1,073                  | 1,166                  |
|   |          | <b>22,795</b>          | <b>18,623</b>          |
| <b>EQUITY</b>   |          |                        |                        |
| Equity share capital  | 20       | 53,502                 | 46,989                 |
| Other equity  | 21       | 5,06,349               | 3,63,299               |
|   |          | <b>5,59,851</b>        | <b>4,10,288</b>        |
| <b>Total liabilities and equity</b>   |          | <b>32,41,938</b>       | <b>24,47,606</b>       |

Summary of significant accounting policies.

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The notes referred to above form an integral part of these consolidated financial statements

As per our report of even date  
for **Walker Chandiook & Co LLP**  
Chartered Accountants

For and on behalf of the Board of Directors of  
**Hinduja Leyland Finance Limited**  
CIN : U65993MH2008PLC384221

**Rakesh Rathi**  
Partner  
  
for **Suresh Surana & Associates LLP**  
Chartered Accountants

**Dheeraj G Hinduja**  
Chairman  
DIN No : 00133410

**Sachin Pillai**  
Managing Director & CEO  
DIN No : 06400793

**P Shankar Raman**  
Partner

**Vikas Jain**  
Chief Financial Officer

**B Shanmugasundaram**  
Company Secretary

Place : Chennai  
Date : 18 May 2023



**HINDUJA LEYLAND FINANCE LIMITED**  
**Consolidated Statement of Profit and Loss for the year ended 31 March 2023**

|  |          |                             | INR In Lakh                 |
|--|----------|-----------------------------|-----------------------------|
| Particulars  | Note No. | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
| <b>Revenue from operations</b>   |          |                             |                             |
| Interest income  | 22       | 3,11,300                    | 2,77,956                    |
| Fees and commission income   | 23       | 6,374                       | 5,583                       |
| Net gain on fair value changes   |          | 671                         | -                           |
| Net gain on derecognition of financial instruments   | 24       | 26,865                      | 24,436                      |
| <b>Total revenue from operations</b>   |          | <b>3,45,210</b>             | <b>3,07,975</b>             |
| Other Income   | 25       | 4,945                       | 2,625                       |
| <b>Total revenue</b>   |          | <b>3,50,155</b>             | <b>3,10,600</b>             |
| <b>Expenses</b>  |          |                             |                             |
| Finance costs  | 26       | 1,72,112                    | 1,53,411                    |
| Fees and commission expense  | 27       | 6,435                       | 5,961                       |
| Net loss on fair value changes   |          | -                           | 805                         |
| Impairment on financial instruments  | 28       | 64,678                      | 74,743                      |
| Employee benefits expense  | 29       | 22,093                      | 18,555                      |
| Depreciation and amortization expense  | 30       | 1,919                       | 1,706                       |
| Others expenses  | 31       | 17,267                      | 10,655                      |
| <b>Total expenses</b>  |          | <b>2,84,504</b>             | <b>2,65,836</b>             |
| <b>Profit before share of profit of equity accounted investee and income tax</b>                                 |          | <b>65,651</b>               | <b>44,764</b>               |
| Share of (loss)/profit of equity accounted investee (net of income tax)  |          | (361)                       | 118                         |
| <b>Profit before tax</b>   |          | <b>65,290</b>               | <b>44,882</b>               |
| <b>Tax expense:</b>  |          |                             |                             |
| Current tax  |          | 15,152                      | 8,092                       |
| Deferred tax   | 32       | 1,139                       | 2,630                       |
| Tax pertaining to earlier years  |          | -                           | 71                          |
| <b>Total taxes</b>   |          | <b>16,291</b>               | <b>10,793</b>               |
| <b>Net profit for the year</b>   |          | <b>48,999</b>               | <b>34,089</b>               |
| <b>Other comprehensive income</b>  |          |                             |                             |
| (A) Items that will not be reclassified to profit or loss  |          |                             |                             |
| (i) Remeasurement of defined benefit plans   |          | 211                         | 144                         |
| (ii) Income tax relating to items that will not be reclassified to profit or loss                                |          | (37)                        | (27)                        |
| Remeasurement of defined benefit plans for joint venture and associate(net)                                      |          | (18)                        | (10)                        |
| (B) Items that will be reclassified to profit or loss  |          |                             |                             |
| (i) Fair value gain/(loss) on financial assets carried at Fair Value Through Other Comprehensive Income (FVTOCI) |          | 12,297                      | (27,837)                    |
| (ii) Income tax relating to items that will be reclassified to profit or loss                                    |          | (3,095)                     | 7,006                       |
| <b>Total other comprehensive income</b>  |          | <b>9,358</b>                | <b>(20,724)</b>             |
| <b>Total comprehensive income</b>  |          | <b>58,357</b>               | <b>13,365</b>               |
| <b>Earnings per equity share (face value Rs.10 each)</b>   | 33       |                             |                             |
| - Basic (in Rs.)   |          | 9.80                        | 7.26                        |
| - Diluted (in Rs.)   |          | 9.80                        | 7.25                        |

Summary of significant accounting policies.

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The notes referred to above form an integral part of these consolidated financial statements.

As per our report of even date  
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Chartered Accountants

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**P Shankar Raman**  
Partner

**Vikas Jain**  
Chief Financial Officer

**B Shanmugasundaram**  
Company Secretary

Place : Chennai

Date : 18 May 2023



**HINDUJA LEYLAND FINANCE LIMITED**  
**Consolidated statement of cash flow for the year ended 31 March 2023**

|   | INR In Lakh                 |                             |
|---|-----------------------------|-----------------------------|
|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
| <b>A. Cash flow from operating activities</b>   |                             |                             |
| Net profit before tax after share of profit / (loss) of equity accounted investee companies   | 65,290                      | 44,882                      |
| Adjustments:  |                             |                             |
| Depreciation and amortization expense   | 1,919                       | 1,706                       |
| Profit on disposal of property, plant and equipment(PPE)                                      | (14)                        | (74)                        |
| Net (gain)/loss on fair value changes/disposal of investment                                  | (671)                       | 805                         |
| Finance costs   | 1,72,112                    | 1,53,411                    |
| Interest income   | (3,11,447)                  | (2,80,581)                  |
| Net gain on derecognition of financial instruments  | (26,865)                    | (24,436)                    |
| Provision for expected credit loss and amounts written off                                    | 61,438                      | 71,053                      |
| Impairment loss on other receivables  | 3,240                       | 3,690                       |
| Share based payment expense   | 80                          | 159                         |
| <b>Operating cash flow before working capital changes</b>                                     | <b>(34,918)</b>             | <b>(29,385)</b>             |
| Adjustments for (increase) / decrease in operating assets:                                    |                             |                             |
| Loans   | (7,13,947)                  | (77,724)                    |
| Other financial assets  | 1,688                       | (25,798)                    |
| Other non- financial assets   | (954)                       | 5                           |
| Adjustments for increase / (decrease) in operating Liabilities:                               |                             |                             |
| Trade payables  | (152)                       | 1,421                       |
| Other financial liabilities   | 104                         | (3,839)                     |
| Other non financial liabilities and provisions  | (3,504)                     | (3,850)                     |
| <b>Net cash used in operations before adjustments for interest received and interest paid</b> | <b>(7,51,683)</b>           | <b>(1,39,170)</b>           |
| Cash outflow towards finance cost   | (1,64,543)                  | (1,48,260)                  |
| Cash inflow from interest income  | 3,11,263                    | 2,79,169                    |
|   | 1,46,720                    | 1,30,909                    |
| Taxes paid (net)  | (12,428)                    | (10,756)                    |
| <b>Net cash used in operating activities (A)</b>  | <b>(6,17,392)</b>           | <b>(19,017)</b>             |
| <b>B. Cash flow from investing activities</b>   |                             |                             |
| Investment in pass through securities, mutual fund and security receipts(net)                 | (48,783)                    | 4,701                       |
| Investment in redeemable non-convertible debentures (net)                                     | (14,702)                    | (2,037)                     |
| Interest on fixed deposits  | 147                         | 224                         |
| Bank deposits- (placed)/matured (having original maturity of more than three months)          | (18,109)                    | 1,626                       |
| Purchase of PPE and intangibles including capital work-in-progress                            | (1,661)                     | (435)                       |
| Proceeds from disposal of PPE and intangibles   | 97                          | 93                          |
| <b>Net cash (used in)/ generated from investing activities (B)</b>                            | <b>(83,011)</b>             | <b>4,172</b>                |
| <b>C. Cash flow from financing activities</b>   |                             |                             |
| Proceeds from issue of equity shares including securities premium                             | 91,125                      | 48                          |
| Proceeds from long term borrowings  | 12,90,689                   | 7,46,695                    |
| Repayment of long term borrowings   | (6,96,681)                  | (7,19,792)                  |
| Proceeds from/(repayment of) working capital loan / cash credit and commercial paper (net)    | 40,380                      | (11,492)                    |
| Payments of lease liabilities   | (1,503)                     | (1,416)                     |
| <b>Net cash generated from financing activities (C)</b>                                       | <b>7,24,010</b>             | <b>14,043</b>               |
| Net increase/(decrease) in cash and cash equivalents (A+B+C)                                  | 23,607                      | (801)                       |
| <b>Cash and cash equivalents at the beginning of the year</b>                                 | <b>81,070</b>               | <b>81,871</b>               |
| <b>Cash and cash equivalents at the end of the year</b>                                       | <b>1,04,677</b>             | <b>81,070</b>               |



**HINDUJA LEYLAND FINANCE LIMITED**  
Consolidated statement of cash flow for the year ended 31 March 2023

INR In Lakh

|  | Note     | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|----------|------------------------|------------------------|
| <b>Components of cash and cash equivalents</b> | <b>6</b> |                        |                        |
| Cash and cheques on hand                       |          | 6,998                  | 20,898                 |
| Balances with banks                            |          | 97,679                 | 60,172                 |
|  |          | <b>1,04,677</b>        | <b>81,070</b>          |

**Change in liabilities arising from financing activities**

| Particulars                             | 01 April 2022 | Cash Flow (+) | Indas Adjustments (-) | 31 March 2023 |
|---|---------------|---------------|-----------------------|---------------|
| Debt securities                         | 1,32,816      | (36,982)      | (83)                  | 95,917        |
| Borrowings (other than debt securities) | 17,00,657     | 6,89,845      | (2,787)               | 23,93,290     |
| Subordinated liabilities                | 1,22,141      | (18,474)      | (662)                 | 1,04,329      |
| Lease liabilities                       | 3,923         | (1,503)       | (2,822)               | 5,242         |

| Particulars                             | 01 April 2021 | Cash Flow (+) | Indas Adjustments (-) | 31 March 2022 |
|---|---------------|---------------|-----------------------|---------------|
| Debt securities                         | 1,25,432      | 7,200         | (184)                 | 1,32,816      |
| Borrowings (other than debt securities) | 16,86,955     | 14,743        | 1,042                 | 17,00,657     |
| Subordinated liabilities                | 1,27,814      | (6,532)       | (859)                 | 1,22,141      |
| Lease liabilities                       | 2,764         | (1,416)       | (2,576)               | 3,923         |

The notes referred to above form an integral part of these consolidated financial statements.

As per our report of even date  
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Chartered Accountants

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Partner

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**B Shanmugasundaram**  
Company Secretary

Place : Chennai  
Date : 18 May 2023



**HINDUJA LEYLAND FINANCE LIMITED**  
**Consolidated Statement of Changes in Equity for the year ended 31 March 2023**

**A Equity share capital**

| Particulars                                    | INR In Lakh         |               |
|--|---------------------|---------------|
|  | Number of shares    | Amount        |
| <b>Balance as at 1 April 2021</b>              | 46,97,82,490        | 46,978        |
| Change in equity share capital during the year |                     |               |
| Add: Issued during the year                    | 1,10,500            | 11            |
| <b>Balance as at 31 March 2022</b>             | <b>46,98,92,990</b> | <b>46,989</b> |
| Change in equity share capital during the year |                     |               |
| Add: Issued during the year                    | 6,51,27,000         | 6,513         |
| <b>Balance as at 31 March 2023</b>             | <b>53,50,19,990</b> | <b>53,502</b> |

| B Other equity                          | Reserves and Surplus |                    |  |                   | Other items of other comprehensive income |  | Total           |
|---|----------------------|--------------------|--|-------------------|---|--|-----------------|
|   | Statutory reserves   | Securities premium | Other reserves - Employee stock option outstanding account | Retained earnings | Remeasurement of defined benefit plans    | Fair value (loss)/gain on financial assets |                 |
| <b>Balance as at 1 April 2021</b>       | 37,452               | 96,656             | 232  | 1,39,183          | -   | 76,215                                     | 3,49,738        |
| Share based expenses                    | -                    | -                  | 159  | -                 | -   | -  | 159             |
| Premium on issue of share capital       | -                    | 37                 | -  | -                 | -   | -  | 37              |
| Profit for the year                     | -                    | -                  | -  | 34,089            | -   | -  | 34,089          |
| Transfer to / from reserve              | 6,818                | 13                 | (13)   | (6,818)           | -   | -  | 0               |
| Other comprehensive income (net of tax) | -                    | -                  | -  | -                 | 117                                       | (20,841)                                   | (20,724)        |
| <b>Balance as at 31 March 2022</b>      | <b>44,270</b>        | <b>96,706</b>      | <b>378</b>   | <b>1,66,454</b>   | <b>117</b>                                | <b>55,374</b>                              | <b>3,63,299</b> |
| Share based expenses                    | -                    | -                  | 80   | -                 | -   | -  | 80              |
| Premium on issue of share capital       | -                    | 84,612             | -  | -                 | -   | -  | 84,612          |
| Profit for the year                     | -                    | -                  | -  | 48,999            | -   | -  | 48,999          |
| Transfer to / from reserve              | 9,800                | -                  | -  | (9,800)           | -   | -  | -               |
| Other comprehensive income (net of tax) | -                    | -                  | -  | -                 | 156                                       | 9,202                                      | 9,358           |
| <b>Balance as at 31 March 2023</b>      | <b>54,070</b>        | <b>1,81,318</b>    | <b>458</b>   | <b>2,05,653</b>   | <b>273</b>                                | <b>64,576</b>                              | <b>5,06,349</b> |

Summary of significant accounting policies.

Note 4

The notes referred to above form an integral part of these consolidated financial statements.

As per our report of even date  
for **Walker Chandiok & Co LLP**  
Chartered Accountants

For and on behalf of the Board of Directors of  
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Chief Financial Officer

**B Shanmugasundaram**  
Company Secretary

Place : Chennai  
Date : 18 May 2023

**HINDUJA LEYLAND FINANCE LIMITED****Notes to consolidated financial statements for year ended 31 March 2023**

(All amounts are in Indian Rupees in lakh, except share data and as stated)

**1 Reporting entity**

Hinduja Leyland Finance Limited ('the Parent Company'), incorporated on 12 November 2008 and headquartered in Chennai, India is a Non Banking Finance Company engaged in providing asset finance. the Parent company is a systemically important Non Deposit taking Non Banking Finance Company (ND-NBFC) as defined under Section 45 – IA of the Reserve Bank Of India Act, 1934. the Parent company received the certificate of registration dated 22 March 2010 from the Reserve Bank of India ("RBI") to carry on the business of Non Banking Financial Institution without accepting public deposits ("NBFC-ND"). Subsequently the Parent company was granted Investment and Credit Company status pursuant to Reserve Bank of India notification No. RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019.

The subsidiary and associate and joint venture of the Group are listed below:

| Name of the Group                     | Relationship       | Percentage holding |
|---------------------------------------|--------------------|--------------------|
| Hinduja Housing Finance Limited*      | Subsidiary company | 100%               |
| Gaadi Mandi Digital Platforms Limited | Subsidiary company | 100%               |
| HLF Services Limited                  | Associate company  | 45.90%             |
| Gro Digital Platforms Limited         | Joint venture      | 49.90%             |

\* - a housing finance company registered with National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987 with effect from 30 September 2015. the Group is primarily engaged in the business of providing loans for the purchase or construction of residential houses.

The parent company, subsidiary and associate and joint venture are collectively referred to as Group.

**2 Basis of preparation****2.1 Statement of compliance**

The financial statements of the Group have been prepared under historical cost convention on an accrual basis in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Details of the Group accounting policies are disclosed in Note 3.

**2.2 Presentation of financial statements**

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

As required by Division III issued under Schedule III of the Act, the Group presented the assets and liabilities in the balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented separately.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- (i) The normal course of business
- (ii) The event of default

**2.3 Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.



## HINDUJA LEYLAND FINANCE LIMITED

### Notes to consolidated financial statements for year ended 31 March 2023

(All amounts are in Indian Rupees in lakh, except share data and as stated)

#### 2.4 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

A historical cost is a measure of value used in accounting in which the price of an asset on the balance sheet is based on its nominal or original cost when acquired by the Group.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 Share based Payment, leasing transactions that are within the scope of Ind AS 116 Leases.

Fair value measurements under Ind AS are categorised into fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access on measurement date.
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 where unobservable inputs are used for the valuation of assets or liabilities.

#### 2.5 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

##### i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

##### ii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include :

- a) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.
- b) Determination of ECL models, including the various formulas and the choice of inputs.
- c) Development of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").
- d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.



## HINDUJA LEYLAND FINANCE LIMITED

### Notes to consolidated financial statements for year ended 31 March 2023

(All amounts are in Indian Rupees in lakh, except share data and as stated)

#### 2.5 Use of estimates and judgments (Continued)

##### iii) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

##### iv) Defined Benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

##### v) Leases

###### A. Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination

###### B. Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to for its borrowings.

##### vi) Provisions and other contingent liabilities

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

#### 3 Principles and Particulars of Consolidation

The consolidated financial statements relate to Hinduja Leyland Finance (referred as “the Parent Company” or “the Holding Company”), its subsidiary companies and share of profit / (loss) in its associate and joint venture (Collectively referred to as “the group”).

The Financial statements of the Subsidiaries and Associates and Joint venture used in the consolidation are drawn up to the same reporting date as that of the holding company i.e. 31 March 2023.

##### Basis of Consolidation

###### a Subsidiaries

Subsidiaries are entities over which the Group has control. The group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.





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#### **b Investment in Associate and Joint Venture**

An associate and joint venture is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The results, assets and liabilities of associates and joint venture are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, the investment in an associate and joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. Distributions received from associate and joint venture is recognised as reduction in the carrying amount of the investments. When the Group's share of losses of an associate and joint venture exceeds the Group's interest in that associate and joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate and joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate and joint venture.

An investment in an associate and joint venture is accounted for using the equity method from the date on which the investee becomes an associate and joint venture. On acquisition of the investment in an associate and joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired. After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate and joint venture.

When a group entity transacts with an associate and joint venture of the Group, profit or losses resulting from the transactions with associate and joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate and joint venture that are not related to the Group.

#### **4 Significant accounting policies**

##### **4.1 Recognition of Income**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

##### **A. Interest income**

Interest income on financial instruments is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable.

Effective Interest Rate ("EIR")

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts.

Interest income/expenses is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses). If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

##### **B. Dividend income**

Dividend income is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

##### **C. Rental income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.



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#### D. Fees and commission income

The Group recognises revenue from contract with customers based on five step model as set out in Ind AS 115, Revenue from Contracts with Customers to determine when to recognise revenue and at what amount.

Revenue is measured based on the consideration specified in the contract with a customers. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

If the consideration promised in a contract includes a variable amount, the group estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event. Fees income includes fees other than those that are an integral part of EIR.

#### E. Income from transfer and servicing of Assets

The Group transfers loans through securitisation and direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognised in the Statement of Profit and Loss.

The Group recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Group adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised. Corresponding amount is recognised in Statement of Profit and Loss.

#### F. Interest income on Investments in Pass Through Certificates and Security Receipts

Interest on Pass Through Certificates (PTC) and Security Receipts (SRs) is recognised in accordance with the contractual terms of the instrument.

#### G. Sale of Product

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product.

#### H. Other income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

### 4.2 Financial instrument - initial recognition

#### A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

#### B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount.

#### C. Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- i) Amortised cost (AC)
- ii) Fair value through other comprehensive income (FVOCI)
- iii) Fair value through profit or loss (FVTPL)

### 4.3 Financial assets and liabilities

#### Solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Group assesses the contractual terms of financial to identify whether they meet SPPI test.

Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows



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**A. Financial assets**

**i) Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**ii) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVTOCI.

**iii) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**iv) Other equity investments**

All other equity investments are measured at fair value, with value changes recognised in Other Comprehensive Income.

**B. Financial liability**

**i) Initial recognition and measurement**

All financial liability are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

**ii) Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method.

**4.4 Reclassification of financial assets and liabilities**

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in the year ended 31 March 2023 and 31 March 2022.

**4.5 Derecognition of financial assets and liabilities**

**A. Derecognition of financial assets due to substantial modification of terms and conditions**

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

**B. Derecognition of financial assets other than due to substantial modification**

**i) Financial Assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

**ii) Financial Liability**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.



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#### **4.6 Impairment of financial assets**

##### **A. Overview of ECL principles**

In accordance with Ind AS 109, the Group uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- ii) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Group categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

##### **Stage 1:**

When loans are first recognised, the Group recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

##### **Stage 2:**

When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3

##### **Stage 3:**

Loans considered credit impaired are the loans which are past due for more than 90 days. The Group records an allowance for life time ECL.

##### **Loan commitments:**

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down

##### **B. Calculation of ECLs**

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

##### **EAD:**

Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, t, whether scheduled by contract or otherwise, expected drawdowns on committed facilities after considering the credit conversion factor (for Stage 1 and Stage 2 assets), and accrued interest from missed payments.

##### **PD:**

Probability of Default (PD) is the probability of whether borrowers will default on their obligations which is calculated based on historical default rate summary of past years using origination vintage analysis.

##### **LGD:**

Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD

The Group has calculated EAD, PD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated EAD, PDs and LGDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

##### **Stage 1:**

The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

##### **Stage 2:**

When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

##### **Stage 3:**

For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.



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**Forward looking information**

The Group considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, Inflation etc., as considered relevant so as to determine the impact of macro-economic factors on the Group's ECL estimates.

The inputs and models used for calculating ECLs are recalibrated periodically through the use of available incremental and recent information. Further, internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

**C. Loans and advances measured at FVOCI**

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated gain/loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss

**4.7 Impairment of non-financial assets**

The Group determines periodically whether there is any indication of impairment of the carrying amount of its non-financial assets. The recoverable amount (higher of net selling price and value in use) is determined for an individual asset, unless the asset does not generate cash inflow that are largely independent of those from other assets or group of assets. The recoverable amounts of such asset are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**4.8 Write-offs**

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities could result in impairment gains.

**4.9 Fair value**

**i) Fair value hierarchy**

The Group uses the following hierarchy to determine the fair values of its financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3. There were no transfers between levels 1, 2 and 3 during the year. The Group recognises transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

**ii) Valuation process**

The management of the Group performs the valuations of financial assets and liabilities required for financial reporting purposes. The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Valuation processes and Technique**

| Type of Instrument              | Reference Price                                    |
|---------------------------------|--|
| Investment in Mutual Funds      | NAV as on the reporting date.                      |
| Investment in Security Receipts | Fair value of underlying assets                    |
| Investment in Equity Shares     | Quoted price on exchange as on the reporting date. |



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#### 4.10 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

#### 4.11 Property, plant and equipment

##### i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

##### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

##### iii. Depreciation

Depreciation on property, plant and equipment is provided using the straight line method over the estimated useful lives of the assets, and is generally recognised in the statement of profit and loss.

The Group follows estimated useful lives which are given under Part C of the Schedule II of the Companies Act, 2013. The estimated useful lives of items of property, plant and equipment for the current period is as follows:

| Asset category                | Estimated Useful life                            |
|-------------------------------|--|
| Buildings                     | 60 years   |
| Furniture and fittings        | 10 years   |
| Office equipment              | 5 years  |
| Servers and computers         | Computers 3 years, Servers 6 years               |
| Vehicles                      | Motor Cars 8 years, Motor Cycles 10 years        |
| Leasehold improvements (Yard) | 10 years   |
| Vehicles under lease          | Over the lease term of the respective agreements |

Assets individually costing less than or equal to Rs. 5,000/- are fully depreciated in the year of acquisition. The Group has estimated a Nil residual value at the end of the useful life for all block of assets. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

##### iv. Capital Work-in-progress

Capital work in progress includes assets not ready for the intended use and is carried at cost, comprising direct cost and related incidental expenses.



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**4.12 Intangible assets**

**i. Intangible assets**

Intangible assets including those acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

**iii. Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

| Asset category     | Estimated Useful life |
|--------------------|-----------------------|
| Computer softwares | 5 years               |

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of Intangible assets is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

**4.13 Employee benefits**

**i. Post-employment benefits**

**Defined contribution plan**

The Group's contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

**Defined benefit plans**

**Gratuity**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. the Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**ii. Other long-term employee benefits**

**Compensated absences**

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

**iii. Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.



**HINDUJA LEYLAND FINANCE LIMITED**  
**Notes to consolidated financial statements for year ended 31 March 2023**  
(All amounts are in Indian Rupees in lakh, except share data and as stated)

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**iv. Stock based compensation**

The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. The Group revisits its estimate each year of the number of equity instruments expected to vesting.

**4.14 Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**Contingent liability**

A possible obligation that arises from past events and 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 Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

**Contingent asset**

Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

**4.15 Commitments**

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) Uncalled liability on shares and other investments partly paid;
- c) Funding related commitment to associate; and
- d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

**4.16 Leases**

**Operating lease:**

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Group assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves—

- a) the use of an identified asset,
- b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- c) the right to direct the use of the identified asset.

The Group at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, The Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, The Group recognizes any remaining amount of the re-measurement in the Statement of profit and loss.

For short-term and low value leases, The Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability has been presented in Note 17 “Other Financial Liabilities” and ROU asset has been presented in Note 11C “Property, Plant and Equipment” and lease payments have been classified as financing cash flows.





## HINDUJA LEYLAND FINANCE LIMITED

### Notes to consolidated financial statements for year ended 31 March 2023

(All amounts are in Indian Rupees in lakh, except share data and as stated)

#### Operating lease:

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Group has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases.

These assets given on operating lease are included in PPE. Lease income is recognised in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs including depreciation are recognised as an expense in the Statement of profit and loss. Initial direct costs are recognised

#### Finance lease:

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The assets acquired under finance lease are capitalised at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset, whichever is less. Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Lease management fees, lease charges and other initial direct costs are capitalised.

#### 4.17 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

##### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

##### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### 4.18 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of the asset. Other borrowings costs are recognized as an expense in the statement of profit and loss account on an accrual basis using the effective interest method.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

#### 4.19 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



## HINDUJA LEYLAND FINANCE LIMITED

### Notes to consolidated financial statements for year ended 31 March 2023

(All amounts are in Indian Rupees in lakh, except share data and as stated)

#### 4.20 Segment reporting- Identification of segments:

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

#### 4.21 Earnings per share

The Group reports basic and diluted earnings per equity share in accordance with Ind AS 33, Earnings Per Share. Basic earnings per equity share is computed by dividing net profit / loss after (Before other Comprehensive Income) tax attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed and disclosed by dividing the net profit/ loss after tax attributable to the equity share holders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

#### 4.22 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Group are segregated. Cash flows in foreign currencies are accounted at the actual rates of exchange prevailing at the dates of the transactions. Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

#### 4.23 Securities premium

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares and issue expenses of securities which qualify as equity instruments.

#### 4.24 Goods and Services Input Tax Credit

Goods and Services tax input credit is recognised for in the books in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

#### 4.25 Collateral Repossessed

The Group generally does not use the assets repossessed for the internal operations. The underlying loans in respect of which collaterals have been repossessed with an intention to realize by way of sale are considered as Stage 3 assets and the ECL allowance is determined based on the past history of net realizable value of the repossessed asset. Any surplus funds are returned to the borrower and accordingly collateral repossessed are not recorded on the balance sheet and not treated as non-current assets held for sale.

### 5 STANDARD ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its standalone financial statements.

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its standalone financial statement.

**HINDUJA LEYLAND FINANCE LIMITED****Notes to consolidated financial statements for year ended 31 March 2023****INR In Lakh****6 Cash and cash equivalents**

| <b>Particulars</b>                        | <b>As at</b>         | <b>As at</b>         |
|---|----------------------|----------------------|
|   | <b>31 March 2023</b> | <b>31 March 2022</b> |
| Cash on hand                              | 2,273                | 4,706                |
| Balances with banks - In Current Accounts | 97,679               | 60,172               |
| Cheques on hand                           | 4,725                | 16,192               |
| <b>Total</b>                              | <b>1,04,677</b>      | <b>81,070</b>        |

**7 Bank balance other than cash and cash equivalents**

| <b>Particulars</b> | <b>As at</b>         | <b>As at</b>         |
|--------------------|----------------------|----------------------|
|                    | <b>31 March 2023</b> | <b>31 March 2022</b> |
| Bank deposits      | 22,068               | 3,959                |
| <b>Total</b>       | <b>22,068</b>        | <b>3,959</b>         |

Notes :

7.1. The bank deposits earn interest at fixed rates.

7.2. The Parent company has given fixed deposits as credit enhancement for securitisation transactions in the form of pass through certificates entered by it, amounting to INR Nil (31 March 2022 : INR 3,848 Lakh) (refer note 15)

7.3. The Group has given fixed deposit as security of Rs. 22,000 Lakh towards overdraft loan availed from Union Bank of India (refer note 15).



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

**8 Loans**

**INR In Lakh**

| Particulars                      | As at 31 March 2023 |  |                  | As at 31 March 2022 |  |                  |
|----------------------------------|---------------------|--|------------------|---------------------|--|------------------|
|                                  | At Amortised cost   | At fair value through other comprehensive income | Total            | At Amortised cost   | At fair value through other comprehensive income | Total            |
| <b>A. Based on nature</b>        |                     |  |                  |                     |  |                  |
| (I) Retail loans                 | 12,19,007           | 14,91,487  | 27,10,494        | 10,85,552           | 10,22,791  | 21,08,343        |
| Term Loans                       | 1,86,414            | -  | 1,86,414         | 1,27,788            | -  | 1,27,788         |
|                                  | <b>14,05,421</b>    | <b>14,91,487</b>                                 | <b>28,96,908</b> | <b>12,13,340</b>    | <b>10,22,791</b>                                 | <b>22,36,131</b> |
| Less : Impairment loss allowance | (28,917)            | (36,567)   | (65,484)         | (36,555)            | (36,817)   | (73,372)         |
| <b>Total (I)-Net</b>             | <b>13,76,504</b>    | <b>14,54,920</b>                                 | <b>28,31,424</b> | <b>11,76,785</b>    | <b>9,85,974</b>                                  | <b>21,62,759</b> |
| (II) Repossessed loans           | 17,619              | -  | 17,619           | 24,456              | -  | 24,456           |
|                                  | <b>17,619</b>       | <b>-</b>   | <b>17,619</b>    | <b>24,456</b>       | <b>-</b>   | <b>24,456</b>    |
| Less : Impairment loss allowance | (7,483)             | -  | (7,483)          | (10,461)            | -  | (10,461)         |
| <b>Total (I)-Net</b>             | <b>10,136</b>       | <b>-</b>   | <b>10,136</b>    | <b>13,995</b>       | <b>-</b>   | <b>13,995</b>    |
| <b>Total (I) and (II)</b>        | <b>13,86,640</b>    | <b>14,54,920</b>                                 | <b>28,41,560</b> | <b>11,90,780</b>    | <b>9,85,974</b>                                  | <b>21,76,754</b> |
| <b>B. Based on Security</b>      |                     |  |                  |                     |  |                  |
| (i) Secured by tangible assets   | 13,74,146           | 14,91,487  | 28,65,633        | 12,07,837           | 10,22,791  | 22,30,628        |
| (ii) Unsecured                   | 48,894              | -  | 48,894           | 29,959              | -  | 29,959           |
| <b>Total Gross Loans</b>         | <b>14,23,040</b>    | <b>14,91,487</b>                                 | <b>29,14,527</b> | <b>12,37,796</b>    | <b>10,22,791</b>                                 | <b>22,60,587</b> |
| Less: Impairment loss allowance  | (36,400)            | (36,567)   | (72,967)         | (47,016)            | (36,817)   | (83,833)         |
| <b>Total Net Loans</b>           | <b>13,86,640</b>    | <b>14,54,920</b>                                 | <b>28,41,560</b> | <b>11,90,780</b>    | <b>9,85,974</b>                                  | <b>21,76,754</b> |
| <b>C. Based on region</b>        |                     |  |                  |                     |  |                  |
| <b>(I) Loans in India</b>        |                     |  |                  |                     |  |                  |
| (i) Public Sector                | -                   | -  | -                | -                   | -  | -                |
| (ii) Others                      | 14,23,040           | 14,91,487  | 29,14,527        | 12,37,796           | 10,22,791  | 22,60,587        |
| <b>Total Gross</b>               | <b>14,23,040</b>    | <b>14,91,487</b>                                 | <b>29,14,527</b> | <b>12,37,796</b>    | <b>10,22,791</b>                                 | <b>22,60,587</b> |
| Less: Impairment loss allowance  | (36,400)            | (36,567)   | (72,967)         | (47,016)            | (36,817)   | (83,833)         |
| <b>Total (I)-Net</b>             | <b>13,86,640</b>    | <b>14,54,920</b>                                 | <b>28,41,560</b> | <b>11,90,780</b>    | <b>9,85,974</b>                                  | <b>21,76,754</b> |
| <b>(II) Loans outside India</b>  |                     |  |                  |                     |  |                  |
| Loans outside India              | -                   | -  | -                | -                   | -  | -                |
| <b>Total (I) and (II)</b>        | <b>13,86,640</b>    | <b>14,54,920</b>                                 | <b>28,41,560</b> | <b>11,90,780</b>    | <b>9,85,974</b>                                  | <b>21,76,754</b> |

**Notes :**

1 Security details

Secured Exposures that are secured by underlying assets hypothicated with the Group

2 There are no loans secured by book debts, fixed deposits and other working capital items.

3 There is no loan assets measured at FVTPL or designated at FVTPL.

4 Loans and Advances to promoters, directors, KMPs and related parties

| Type of Borrower | Loans and advances in the nature of loan outstanding | % to total loans and advances in the nature of loan |
|------------------|--|---|
| Promoters        | -  | -   |
| Directors        | -  | -   |
| KMPs             | -  | -   |
| Related Parties  | -  | -   |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

**9 Investments**

INR In Lakh

| Particulars   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>(i) Investments in equity instruments ( In associate/joint venture) (refer note below)</b> |                        |                        |
| <b>Investments in equity instruments of associate, at cost</b>                                |                        |                        |
| HLF Services Limited  | 666                    | 506                    |
| <b>Investments in equity instruments of joint venture, at cost</b>                            |                        |                        |
| Gro Digital Platforms Limited   | 522                    | 998                    |
|   | <u>1,188</u>           | <u>1,504</u>           |
| <b>(ii) Other investments</b>   |                        |                        |
| <i>Measured at fair value through profit and loss</i>   |                        |                        |
| <b>Investment in Mutual Funds (quoted)</b>  |                        |                        |
| Nippon Mutual Fund  | 29,998                 | -                      |
| Aditya Birla Mutual Fund  | 10,000                 | -                      |
| <i>Measured at fair value through profit and loss</i>   |                        |                        |
| <b>Investment in equity shares (quoted)</b>   |                        |                        |
| Investment in equity shares   | 3,673                  | 3,002                  |
| <b>Investment in security receipts (unquoted)*</b>  |                        |                        |
| Investment in security receipts   | 77,909                 | 61,548                 |
| <i>Measured at amortised cost</i>   |                        |                        |
| <b>Investment in debentures (unquoted)</b>  |                        |                        |
| Non-convertible redeemable debentures   | 14,580                 | 9,921                  |
| <b>Investment in debentures (quoted)</b>  |                        |                        |
| Non-convertible redeemable debentures   | 11,550                 | 1,507                  |
| <b>Investment in pass-through certificates (unquoted)</b>                                     |                        |                        |
| Investment in pass-through certificates   | 16,363                 | 18,448                 |
| <i>Measured at fair value through profit and loss</i>   |                        |                        |
| <b>Investment in funds (unquoted)</b>   |                        |                        |
| Investment in alternative investment funds  | 17,712                 | 23,206                 |
| Vivriti samarath bond fund  | -                      | -                      |
| Less: Provision for diminution in value of investments  | (2)                    | (6)                    |
| <b>Gross Investments</b>  | <u><b>1,81,783</b></u> | <u><b>1,17,627</b></u> |
| <br>(i) Investments outside India   | <br>-                  | <br>-                  |
| (ii) Investments in India   | 1,82,971               | 1,19,131               |
| <b>Gross Investments</b>  | <u><b>1,82,971</b></u> | <u><b>1,19,131</b></u> |
| <b>Total</b>  | <u><b>1,82,971</b></u> | <u><b>1,19,131</b></u> |

**Notes:**

**Details of equity accounted associate : 45.90% stake in HLF Services Limited**

|   |            |            |
|---|------------|------------|
| (i) Cost of investment (including Goodwill of INR NIL) on consolidation | 2          | 2          |
| (ii) Share of profits   | 664        | 504        |
| <b>Total</b>  | <b>666</b> | <b>506</b> |

**Details of equity accounted associate : 49.90% stake in Gro Digital Platforms Limited**

|   |            |            |
|---|------------|------------|
| (i) Cost of investment (including Goodwill of INR NIL) on consolidation | 998        | 1,000      |
| (ii) Share of profits   | (476)      | (2)        |
| <b>Total</b>  | <b>522</b> | <b>998</b> |

As at 31 March 2023

| *Investment in security receipts           | Gross  | Impairment | Net    |
|--|--------|------------|--------|
| Opening balance as on 01 April 2022        | 67,157 | 5,609      | 61,548 |
| Fresh investment / impairment for the year | 39,040 | 10,286     | 28,754 |
| Redemption / reversal for the year         | 12,393 | -          | 12,393 |
| Closing balance as on 31 March 2023        | 93,804 | 15,895     | 77,909 |

As at 31 March 2022

| *Investment in security receipts           | Gross  | Impairment | Net    |
|--|--------|------------|--------|
| Opening balance as on 01 April 2021        | 46,389 | -          | 46,389 |
| Fresh investment / impairment for the year | 29,307 | 5,609      | 23,698 |
| Redemption / reversal for the year         | 8,539  | -          | 8,539  |
| Closing balance as on 31 March 2022        | 67,157 | 5,609      | 61,548 |



**HINDUJA LEYLAND FINANCE LIMITED**

**Notes to consolidated financial statements for year ended 31 March 2023**

**INR In Lakh**

**10 Other financial assets**

| <b>Particulars</b>             | <b>As at<br/>31 March 2023</b> | <b>As at<br/>31 March 2022</b> |
|--------------------------------|--------------------------------|--------------------------------|
| Employee advances              | 156                            | 108                            |
| Security deposits at cost      | 558                            | 477                            |
| Other receivables              | 19,636                         | 5,465                          |
| Receivable from assigned loans | 40,960                         | 33,378                         |
| <b>Total</b>                   | <b>61,310</b>                  | <b>39,428</b>                  |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to Consolidated financial statements for the year ended 31 March 2023

INR In Lakh

**11 Property, plant and equipment and capital work in progress**

| Particulars                     | Freehold land | Buildings    | Lease Commercial vehicles | Servers and computers | Furniture and fittings | Motor vehicles | Office equipment | Leasehold improvements | Total         |
|---------------------------------|---------------|--------------|---------------------------|-----------------------|------------------------|----------------|------------------|------------------------|---------------|
| <b>Gross block</b>              |               |              |                           |                       |                        |                |                  |                        |               |
| As at 1 April 2021              | 6,001         | 1,464        | -                         | 2,069                 | 561                    | 491            | 186              | 384                    | 11,157        |
| Additions                       | 42            | -            | -                         | 286                   | 5                      | -              | 11               | 65                     | 408           |
| Deletions                       | -             | -            | -                         | 22                    | 128                    | 259            | 31               | 77                     | 517           |
| <b>As at 31 March 2022</b>      | <b>6,043</b>  | <b>1,464</b> | <b>-</b>                  | <b>2,333</b>          | <b>438</b>             | <b>232</b>     | <b>166</b>       | <b>372</b>             | <b>11,048</b> |
| Additions                       | -             | -            | 1,496                     | 901                   | 33                     | 44             | 59               | 49                     | 2,582         |
| Deletions                       | -             | -            | -                         | 313                   | 145                    | 125            | 51               | 106                    | 740           |
| <b>As at 31 March 2023</b>      | <b>6,043</b>  | <b>1,464</b> | <b>1,496</b>              | <b>2,921</b>          | <b>326</b>             | <b>151</b>     | <b>174</b>       | <b>315</b>             | <b>12,890</b> |
| <b>Accumulated depreciation</b> |               |              |                           |                       |                        |                |                  |                        |               |
| As at 1 April 2021              | -             | 212          | -                         | 1,364                 | 279                    | 315            | 137              | 285                    | 2,592         |
| Depreciation for the year       | -             | 27           | -                         | 364                   | 69                     | 57             | 24               | 55                     | 595           |
| Deletion                        | -             | -            | -                         | 7                     | 128                    | 253            | 31               | 77                     | 495           |
| <b>As at 31 March 2022</b>      | <b>-</b>      | <b>239</b>   | <b>-</b>                  | <b>1,722</b>          | <b>220</b>             | <b>118</b>     | <b>130</b>       | <b>263</b>             | <b>2,692</b>  |
| Depreciation for the year       | -             | 27           | 11                        | 333                   | 61                     | 36             | 23               | 31                     | 522           |
| Deletion                        | -             | -            | -                         | 264                   | 145                    | 91             | 51               | 107                    | 658           |
| <b>As at 31 March 2023</b>      | <b>-</b>      | <b>266</b>   | <b>11</b>                 | <b>1,791</b>          | <b>136</b>             | <b>63</b>      | <b>102</b>       | <b>187</b>             | <b>2,556</b>  |
| <b>Carrying amount (net)</b>    |               |              |                           |                       |                        |                |                  |                        |               |
| As at 31 March 2023             | 6,043         | 1,198        | 1,485                     | 1,130                 | 190                    | 88             | 72               | 128                    | 10,334        |
| As at 31 March 2022             | 6,043         | 1,225        | -                         | 611                   | 218                    | 114            | 36               | 109                    | 8,356         |

11A

|                          |               |           |           |               |
|--------------------------|---------------|-----------|-----------|---------------|
| Capital Work in Progress | 01 April 2022 | Additions | Disposals | 31 March 2023 |
|                          | 44            | 337       | -         | 381           |

| Capital-Work-in Progress (CWIP) as on 31 March 2023 | Amount in CWIP for a period of |           |           |                   | Total |
|---|--------------------------------|-----------|-----------|-------------------|-------|
|   | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |       |
| Projects in progress                                | 365                            | 16        | -         | -                 | 381   |
| Projects temporarily suspended                      | -                              | -         | -         | -                 | -     |

|                          |               |           |           |               |
|--------------------------|---------------|-----------|-----------|---------------|
| Capital Work in Progress | 01 April 2021 | Additions | Disposals | 31 March 2022 |
|                          | 38            | 6         | -         | 44            |

| Capital-Work-in Progress (CWIP) as on 31 March 2022 | Amount in CWIP for a period of |           |           |                   | Total |
|---|--------------------------------|-----------|-----------|-------------------|-------|
|   | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |       |
| Projects in progress                                | 42                             | 2         | -         | -                 | 44    |
| Projects temporarily suspended                      | -                              | -         | -         | -                 | -     |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to Consolidated financial statements for the year ended 31 March 2023

INR In Lakh

**11B Intangible assets**

| Particulars                     | Computer Software | Total      |
|---------------------------------|-------------------|------------|
| <b>As at 1 April 2021</b>       | <b>143</b>        | <b>143</b> |
| Additions                       | 103               | 103        |
| Deletions                       | 86                | 86         |
| <b>As at 31 March 2022</b>      | <b>160</b>        | <b>160</b> |
| Additions                       | 90                | 90         |
| Deletions                       | -                 | -          |
| <b>As at 31 March 2023</b>      | <b>250</b>        | <b>250</b> |
| <b>Accumulated depreciation</b> |                   |            |
| <b>As at 1 April 2021</b>       | <b>69</b>         | <b>69</b>  |
| Depreciation for the year       | 28                | 28         |
| Deletions                       | 6                 | 6          |
| <b>As at 31 March 2022</b>      | <b>91</b>         | <b>91</b>  |
| Depreciation for the year       | 34                | 34         |
| Deletions                       | -                 | -          |
| <b>As at 31 March 2023</b>      | <b>125</b>        | <b>125</b> |
| <b>Carrying amount (net)</b>    |                   |            |
| As at 31 March 2023             | 125               | 125        |
| As at 31 March 2022             | 69                | 69         |

**11C Right of use asset (refer note 40)**

| Particulars                     | Right of use asset | Total        |
|---------------------------------|--------------------|--------------|
| <b>Gross block</b>              |                    |              |
| As at 1 April 2021              | 4,258              | 4,258        |
| Additions                       | 1,956              | 1,956        |
| Deletion                        | -                  | -            |
| <b>As at 31 March 2022</b>      | <b>6,214</b>       | <b>6,214</b> |
| Additions                       | 3,248              | 3,248        |
| Deletion                        | 2,068              | 2,068        |
| <b>As at 31 March 2023</b>      | <b>7,394</b>       | <b>7,394</b> |
| <b>Accumulated amortisation</b> |                    |              |
| As at 1 April 2021              | 1,626              | 1,626        |
| Amortisation for the year       | 1,083              | 1,083        |
| Deletion                        | 89                 | 89           |
| <b>As at 31 March 2022</b>      | <b>2,620</b>       | <b>2,620</b> |
| Amortisation for the year       | 1,363              | 1,363        |
| Deletion                        | 1,577              | 1,577        |
| <b>As at 31 March 2023</b>      | <b>2,406</b>       | <b>2,406</b> |
| <b>Carrying amount (net)</b>    |                    |              |
| As at 31 March 2023             | 4,988              | 4,988        |
| As at 31 March 2022             | 3,594              | 3,594        |





**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to Consolidated financial statements for the year ended 31 March 2023

**12 Other non-financial assets**

INR In Lakh

| Particulars                                    | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Prepaid expenses                               | 1,152                  | 1,610                  |
| Balance receivable from government authorities | 5,577                  | 4,165                  |
| <b>Total</b>                                   | <b>6,729</b>           | <b>5,775</b>           |

**13 Payables**

| Particulars   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>Trade payables (refer note)</b>  |                        |                        |
| (i) Total outstanding dues of micro enterprises and small enterprises                       | -                      | -                      |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 3,256                  | 3,408                  |
| <b>Total</b>  | <b>3,256</b>           | <b>3,408</b>           |

Note: Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to dues to micro, small and medium enterprises (MSME). On the basis of the information and records available with the Management, none of the Group suppliers are covered under the MSMED and accordingly, disclosure of information relating to principal, interest accruals and payments are not applicable.

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| (a) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year   | -                      | -                      |
| (b) the amount of interest paid by the Group in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year   | -                      | -                      |
| (c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006  | -                      | -                      |
| (d) the amount of interest accrued and remaining unpaid at the end of each accounting year   | -                      | -                      |
| (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006 | -                      | -                      |

**Trade Payables ageing schedule as at 31 March 2023**

| Ageing   | Unbilled due | MSME | Others | Disputed dues – MSME | Disputed dues - Others |
|--|--------------|------|--------|----------------------|------------------------|
| Outstanding for following periods from due date of payment |              |      |        |                      |                        |
| Less than 1 year   | 3,256        | -    | -      | -                    | -                      |
| 1-2 years  | -            | -    | -      | -                    | -                      |
| 2-3 years  | -            | -    | -      | -                    | -                      |
| More than 3 years  | -            | -    | -      | -                    | -                      |

**Trade Payables ageing schedule as at 31 March 2022**

| Ageing   | Unbilled due | MSME | Others | Disputed dues – MSME | Disputed dues - Others |
|--|--------------|------|--------|----------------------|------------------------|
| Outstanding for following periods from due date of payment |              |      |        |                      |                        |
| Less than 1 year   | 3,408        | -    | -      | -                    | -                      |
| 1-2 years  | -            | -    | -      | -                    | -                      |
| 2-3 years  | -            | -    | -      | -                    | -                      |
| More than 3 years  | -            | -    | -      | -                    | -                      |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

INR In Lakh

**14 Debt securities**

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Measured at amortised cost:</b>   |                        |                        |
| <b>Secured</b>   |                        |                        |
| 16,800 (31 March 2022: 13,300 ) Redeemable non-convertible debentures (NCD)<br>(refer notes 14.1 and 14.2) | 95,917                 | 1,32,816               |
| <b>Total (A)</b>   | <b>95,917</b>          | <b>1,32,816</b>        |
| Debt securities in India   | 95,917                 | 1,32,816               |
| Debt securities outside India  | -                      | -                      |
| <b>Total (A)</b>   | <b>95,917</b>          | <b>1,32,816</b>        |
| <b>Total (A+B)</b>   | <b>95,917</b>          | <b>1,32,816</b>        |

**14.1 Security:**

The redeemable non-convertible debentures issued by the Company are secured by exclusive charge on hypothecation of specific loan receivables with a security cover of upto 110% as per the terms of issue.

**14.2 Terms of repayment of debt securities:**

8,800 debentures with a face value of Rs. 10,00,000/- and 8,000 debentures with face value of Rs.1,00,000/- (31 March 2022: 13,300 with face value of Rs.10,00,000) were outstanding as on 31 March 2023. These debentures carry interest rates ranging from 7.45% p.a. to 9.25% p.a. and the redemption period is ranging from 24 months to 3 years from the date of allotment.

The aforesaid debentures are listed at BSE Limited.

**15 Borrowings (Other than debt securities)**

| Particulars   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>Secured borrowings</b>   |                        |                        |
| Term Loan (refer note 15.1,15.2 and 15.3)   |                        |                        |
| 'i) From banks  | 21,22,652              | 15,60,821              |
| 'ii) From financial institution   | 1,66,187               | 66,831                 |
| Cash credit and working capital demand loans from banks (refer note 15.1 and 7.3) | 84,810                 | 64,071                 |
| Other Borrowings (refer note 7.2)   | -                      | 8,934                  |
| <b>Total</b>  | <b>23,73,649</b>       | <b>17,00,657</b>       |
| <b>Unsecured borrowings</b>   |                        |                        |
| Commercial papers (refer 16.3)  | 19,641                 | -                      |
| <b>Total (B)</b>  | <b>19,641</b>          | <b>-</b>               |
| Borrowings in India   | 23,93,290              | 17,00,657              |
| Borrowings outside India  | -                      | -                      |
| <b>Total</b>  | <b>23,93,290</b>       | <b>17,00,657</b>       |
| <b>Total</b>  | <b>23,93,290</b>       | <b>17,00,657</b>       |



**HINDUJA LEYLAND FINANCE LIMITED**  
**Notes to consolidated financial statements for year ended 31 March 2023**

**INR In Lakh**

**Secured borrowing**

- 15.1 Term loan, cash credit and working capital demand loans from banks and financial institutions are secured by pari passu charge on receivables other than those that are specifically charged to the lenders. The Group generally gives exclusive charges. These facilities carry interest rates ranging from "MCLR of the respective bank" per annum to "MCLR of the respective bank + spread". Some of the facilities also carry interest linked with other benchmark like T-bill rates or Repo rates or other benchmark. As at 31 March 2023, the rate of interest across the loans was in the range of 5.25% p.a to 9.40% p.a.

Refer Note 15.2 for details regarding terms of borrowings from banks for Parent company. Refer Note 15.3 for details regarding terms of borrowings from banks for subsidiary company.

**Nature of security**

Term loans from banks are secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.

**16 Subordinated liabilities**

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Measured at amortised cost:</b>   |                        |                        |
| Subordinated redeemable non-convertible debentures (Sub-Debt) (refer 16.1) | 96,836                 | 1,14,655               |
| Other sub-ordinated unsecured loans (Sub-Debt) (refer note 16.2)           | 7,493                  | 7,486                  |
| <b>Total (A)</b>   | <b>1,04,329</b>        | <b>1,22,141</b>        |
| Subordinated Liabilities in India  | 1,04,329               | 1,22,141               |
| Subordinated Liabilities outside India                                     | -                      | -                      |
| <b>Total (B)</b>   | <b>1,04,329</b>        | <b>1,22,141</b>        |

**16.1 Details relating to subordinated redeemable non-convertible debentures**

9,750 (31 March 2022: 11,550) debentures with a face value of Rs. 1,000,000/- were outstanding as on 31 March 2023. These debentures carry interest rates ranging from 9.20% p.a. to 11.60% p.a. and the redemption period is 5.4 to 7 years. The aforesaid debentures are listed at BSE Limited.

**16.2 Details relating to Other sub-ordinated unsecured loans**

As at 31 March 2023, the Unsecured subordinated loans carries interest rate is 11.31% p.a. and the redemption period is 5.5 years.

**16.3 Terms of Repayment**

| Terms of Repayment: | 0 - 1 Year | 1 - 3 Years | 3 - 5 Years | > 5 Years | Total    |
|---------------------|------------|-------------|-------------|-----------|----------|
| Commercial Paper    | 19,641     | -           | -           | -         | 19,641   |
| NCD                 | 87,940     | 7,977       | -           | -         | 95,917   |
| Sub-Debt            | 12,484     | 54,876      | 32,058      | 4,911     | 1,04,329 |

As at 31 March 2022, the Unsecured subordinated loans carries interest rate is 11.31% p.a. and the redemption period is 5.5 years.

| Terms of Repayment: | 0 - 1 Year | 1 - 3 Years | 3 - 5 Years | > 5 Years | Total    |
|---------------------|------------|-------------|-------------|-----------|----------|
| Commercial Paper    | -          | -           | -           | -         | -        |
| NCD                 | 44,965     | 87,851      | -           | -         | 1,32,816 |
| Sub-Debt            | 18,000     | 67,286      | 31,958      | 4,897     | 1,22,141 |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

INR In Lakh

15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:

As at 31 March 2023

| Particulars    | Amount | Terms of redemption/ repayment        | Security  |
|----------------|--------|---------------------------------------|---|
| Term Loan - 1  | 6,667  | Repayable in 8 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 2  | 5,833  | Repayable in 7 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 3  | 2,498  | Repayable in 6 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 4  | 2,916  | Repayable in 7 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 5  | 25,000 | Repayable in 16 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 6  | 10,000 | Repayable in 19 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 7  | 15,000 | Repayable in 8 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 8  | 28,124 | Repayable in 9 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 9  | 34,373 | Repayable in 11 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 10 | 44,728 | Repayable in 17 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 11 | 50,000 | Repayable in 19 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 12 | 75,000 | Repayable in 19 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 13 | 5,000  | Repayable in 2 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 14 | 17,500 | Repayable in 7 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 15 | 21,059 | Repayable in 8 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

INR In Lakh

15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:

As at 31 March 2023

| Particulars    | Amount | Terms of redemption/ repayment        | Security  |
|----------------|--------|---------------------------------------|---|
| Term Loan - 16 | 51,318 | Repayable in 13 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 17 | 20,000 | Repayable in 19 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 18 | 1,482  | Repayable in 1 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 19 | 1,866  | Repayable in 1 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 20 | 3,996  | Repayable in 6 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 21 | 2,663  | Repayable in 6 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 22 | 9,843  | Repayable in 7 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 23 | 3,281  | Repayable in 7 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 24 | 26,666 | Repayable in 16 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 25 | 30,000 | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 26 | 1,250  | Repayable in 2 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 27 | 9,167  | Repayable in 11 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 28 | 12,500 | Repayable in 17 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 29 | 3,297  | Repayable in 28 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 30 | 1,364  | Repayable in 2 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

INR In Lakh

15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:

As at 31 March 2023

| Particulars    | Amount | Terms of redemption/ repayment         | Security  |
|----------------|--------|--|---|
| Term Loan - 31 | 11,000 | Repayable in 11 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 32 | 12,500 | Repayable in 15 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 33 | 12,500 | Repayable in 15 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 34 | 15,250 | Repayable in 5 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 35 | 9,625  | Repayable in 6 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 36 | 20,000 | Repayable in 16 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 37 | 10,000 | Repayable in 16 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 38 | 20,000 | Repayable in 16 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 39 | 13,081 | Repayable in 7 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 40 | 3,710  | Repayable in 2 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 41 | 13,115 | Repayable in 7 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 42 | 4,993  | Repayable in 1 Half-Yearly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 43 | 2,999  | Repayable in 3 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 44 | 2,250  | Repayable in 3 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 45 | 3,083  | Repayable in 5 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

INR In Lakh

15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:

As at 31 March 2023

| Particulars    | Amount | Terms of redemption/ repayment        | Security  |
|----------------|--------|---------------------------------------|---|
| Term Loan - 46 | 2,500  | Repayable in 10 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 47 | 5,500  | Repayable in 11 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 48 | 4,120  | Repayable in 11 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 49 | 15,124 | Repayable in 11 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 50 | 1,833  | Repayable in 44 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 51 | 3,749  | Repayable in 45 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 52 | 7,667  | Repayable in 46 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 53 | 5,750  | Repayable in 46 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 54 | 11,750 | Repayable in 47 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 55 | 7,833  | Repayable in 47 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 56 | 2,250  | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 57 | 6,750  | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 58 | 5,000  | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 59 | 10,000 | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 60 | 15,000 | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

INR In Lakh

15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:

As at 31 March 2023

| Particulars    | Amount | Terms of redemption/ repayment        | Security  |
|----------------|--------|---------------------------------------|---|
| Term Loan - 61 | 19,404 | Repayable in 4 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 62 | 7,984  | Repayable in 2 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 63 | 14,999 | Repayable in 15 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 64 | 8,328  | Repayable in 15 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 65 | 33,317 | Repayable in 15 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 66 | 15,000 | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 67 | 15,000 | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 68 | 10,000 | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 69 | 4,999  | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 70 | 14,997 | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 71 | 15,000 | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 72 | 5,000  | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 73 | 5,000  | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 74 | 15,000 | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 75 | 35,000 | Repayable in 20 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |





**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

INR In Lakh

15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:

As at 31 March 2023

| Particulars    | Amount | Terms of redemption/ repayment        | Security  |
|----------------|--------|---------------------------------------|---|
| Term Loan - 76 | 4,167  | Repayable in 1 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 77 | 13,684 | Repayable in 13 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 78 | 41,667 | Repayable in 15 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 79 | 44,736 | Repayable in 17 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 80 | 10,000 | Repayable in 19 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 81 | 10,000 | Repayable in 8 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 82 | 3,056  | Repayable in 11 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 83 | 16,667 | Repayable in 12 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 84 | 3,611  | Repayable in 13 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 85 | 10,835 | Repayable in 13 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 86 | 42,500 | Repayable in 17 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 87 | 11,500 | Repayable in 4 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 88 | 3,500  | Repayable in 4 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 89 | 6,248  | Repayable in 5 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 90 | 6,248  | Repayable in 5 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

INR In Lakh

15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:

As at 31 March 2023

| Particulars     | Amount | Terms of redemption/ repayment        | Security  |
|-----------------|--------|---------------------------------------|---|
| Term Loan - 91  | 6,700  | Repayable in 4 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 92  | 20,450 | Repayable in 10 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 93  | 12,500 | Repayable in 5 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 94  | 4,162  | Repayable in 5 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 95  | 10,100 | Repayable in 6 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 96  | 50,000 | Repayable in 13 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 97  | 1,995  | Repayable in 2 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 98  | 10,180 | Repayable in 44 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 99  | 10,180 | Repayable in 44 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 100 | 7,484  | Repayable in 12 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 101 | 8,735  | Repayable in 14 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 102 | 1,250  | Repayable in 9 Monthly Instalments    | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 103 | 1,250  | Repayable in 9 Monthly Instalments    | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 104 | 2,571  | Repayable in 9 Monthly Instalments    | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 105 | 2,647  | Repayable in 9 Monthly Instalments    | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

INR In Lakh

15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:

As at 31 March 2023

| Particulars     | Amount | Terms of redemption/ repayment        | Security  |
|-----------------|--------|---------------------------------------|---|
| Term Loan - 106 | 10,000 | Repayable in 12 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 107 | 2,083  | Repayable in 15 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 108 | 5,000  | Repayable in 18 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 109 | 5,000  | Repayable in 18 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 110 | 17,857 | Repayable in 30 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 111 | 20,833 | Repayable in 35 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 112 | 50,000 | Repayable in 48 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 113 | 1,334  | Repayable in 4 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 114 | 3,333  | Repayable in 5 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 115 | 1,667  | Repayable in 5 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 116 | 16,873 | Repayable in 9 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 117 | 46,874 | Repayable in 15 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 118 | 37,463 | Repayable in 12 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 119 | 1,667  | Repayable in 4 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 120 | 10,000 | Repayable in 4 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 121 | 10,000 | Repayable in 1 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 122 | 2,500  | Repayable in 3 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 123 | 4,375  | Repayable in 14 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 124 | 7,772  | Repayable in 14 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

INR In Lakh

15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:

As at 31 March 2023

| Particulars  | Amount           | Terms of redemption/ repayment        | Security  |
|--|------------------|---------------------------------------|---|
| Term Loan - 125  | 24,993           | Repayable in 15 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 126  | 13,500           | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 127  | 30,000           | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 128  | 10,859           | Repayable in 14 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 129  | 55,400           | Repayable in 12 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 130  | 10,000           | Repayable in 19 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 131  | 20,000           | Repayable in 19 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan - 132  | 10,000           | Repayable in 12 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| EIR adjustments  | -3,625           |                                       |   |
| <b>Total term loans from banks and financial institution</b> | <b>18,04,730</b> |                                       |   |
|  |                  |                                       |   |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

**INR In Lakh**

**15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:**

**As at 31 March 2022**

| Particulars  | Amount | Terms of redemption/ repayment        | Security  |
|--------------|--------|---------------------------------------|---|
| Term Loan-1  | 3,750  | Repayable in 3 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-2  | 5,000  | Repayable in 4 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-3  | 10,000 | Repayable in 12 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-4  | 9,167  | Repayable in 11 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-5  | 4,167  | Repayable in 10 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-6  | 4,583  | Repayable in 11 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-7  | 2,000  | Repayable in 1 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-8  | 22,500 | Repayable in 12 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-9  | 40,625 | Repayable in 13 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-10 | 46,875 | Repayable in 15 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-11 | 6,667  | Repayable in 4 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-12 | 15,000 | Repayable in 6 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

**INR In Lakh**

**15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:**

**As at 31 March 2022**

| Particulars  | Amount | Terms of redemption/ repayment        | Security  |
|--------------|--------|---------------------------------------|---|
| Term Loan-13 | 2,500  | Repayable in 1 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-14 | 9,375  | Repayable in 3 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-15 | 6,250  | Repayable in 2 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-16 | 27,500 | Repayable in 11 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-17 | 31,583 | Repayable in 12 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-18 | 67,106 | Repayable in 17 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-19 | 7,499  | Repayable in 5 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-20 | 9,367  | Repayable in 5 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-21 | 6,664  | Repayable in 10 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-22 | 4,441  | Repayable in 10 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-23 | 15,468 | Repayable in 11 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-24 | 5,156  | Repayable in 11 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

**INR In Lakh**

**15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:**

**As at 31 March 2022**

| Particulars  | Amount | Terms of redemption/ repayment        | Security  |
|--------------|--------|---------------------------------------|---|
| Term Loan-25 | 5,000  | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-26 | 3,717  | Repayable in 6 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-27 | 4,719  | Repayable in 40 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-28 | 1,818  | Repayable in 2 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-29 | 1,364  | Repayable in 3 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-30 | 4,091  | Repayable in 6 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-31 | 15,000 | Repayable in 15 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-32 | 40,250 | Repayable in 13 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-33 | 16,025 | Repayable in 10 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-34 | 20,597 | Repayable in 11 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-35 | 11,225 | Repayable in 6 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-36 | 5,588  | Repayable in 3 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

**INR In Lakh**

**15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:**

**As at 31 March 2022**

| Particulars  | Amount | Terms of redemption/ repayment         | Security  |
|--------------|--------|--|---|
| Term Loan-37 | 6,856  | Repayable in 1 Yearly Instalments      | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-38 | 5,995  | Repayable in 4 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-39 | 20,616 | Repayable in 11 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-40 | 14,993 | Repayable in 3 Half yearly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-41 | 6,999  | Repayable in 7 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-42 | 5,250  | Repayable in 7 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-43 | 6,083  | Repayable in 9 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-44 | 3,500  | Repayable in 14 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-45 | 7,500  | Repayable in 15 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-46 | 5,625  | Repayable in 15 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-47 | 20,624 | Repayable in 15 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-48 | 2,333  | Repayable in 56 Monthly Instalments    | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |





**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

**INR In Lakh**

**15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:**

**As at 31 March 2022**

| Particulars  | Amount | Terms of redemption/ repayment        | Security  |
|--------------|--------|---------------------------------------|---|
| Term Loan-49 | 4,749  | Repayable in 57 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-50 | 9,667  | Repayable in 58 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-51 | 7,250  | Repayable in 58 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-52 | 14,750 | Repayable in 59 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-53 | 9,833  | Repayable in 59 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-54 | 39,420 | Repayable in 8 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-55 | 24,658 | Repayable in 6 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-56 | 18,993 | Repayable in 19 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-57 | 10,000 | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-58 | 2,500  | Repayable in 2 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-59 | 7,500  | Repayable in 3 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-60 | 20,833 | Repayable in 5 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

**INR In Lakh**

**15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:**

**As at 31 March 2022**

| Particulars  | Amount | Terms of redemption/ repayment         | Security  |
|--------------|--------|--|---|
| Term Loan-61 | 17,895 | Repayable in 17 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-62 | 50,000 | Repayable in 18 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-63 | 12,500 | Repayable in 2 Half Yearly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-64 | 10,000 | Repayable in 4 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-65 | 15,000 | Repayable in 12 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-66 | 4,167  | Repayable in 15 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-67 | 22,222 | Repayable in 16 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-68 | 4,722  | Repayable in 17 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-69 | 14,167 | Repayable in 17 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-70 | 2,502  | Repayable in 9 Monthly Instalments     | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-71 | 11,250 | Repayable in 9 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-72 | 11,250 | Repayable in 9 Quarterly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

**INR In Lakh**

**15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:**

**As at 31 March 2022**

| <b>Particulars</b> | <b>Amount</b> | <b>Terms of redemption/ repayment</b> | <b>Security</b>   |
|--------------------|---------------|---------------------------------------|---|
| Term Loan-73       | 14,300        | Repayable in 8 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-74       | 22,500        | Repayable in 9 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-75       | 7,498         | Repayable in 9 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-76       | 16,700        | Repayable in 10 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-77       | 2,995         | Repayable in 3 Yearly Instalments     | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-78       | 12,494        | Repayable in 54 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-79       | 12,495        | Repayable in 54 Monthly Instalments   | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-80       | 2,997         | Repayable in 3 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-81       | 10,000        | Repayable in 16 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-82       | 2,500         | Repayable in 16 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-83       | 1,250         | Repayable in 2 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-84       | 1,167         | Repayable in 3 Monthly Instalments    | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

**INR In Lakh**

**15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:**

**As at 31 March 2022**

| Particulars  | Amount | Terms of redemption/ repayment       | Security  |
|--------------|--------|--------------------------------------|---|
| Term Loan-85 | 2,917  | Repayable in 21 Monthly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-86 | 2,917  | Repayable in 21 Monthly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-87 | 6,000  | Repayable in 21 Monthly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-88 | 6,176  | Repayable in 21 Monthly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-89 | 20,000 | Repayable in 24 Monthly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-90 | 3,750  | Repayable in 27 Monthly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-91 | 8,333  | Repayable in 30 Monthly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-92 | 8,333  | Repayable in 30 Monthly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-93 | 25,000 | Repayable in 42 Monthly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-94 | 2,667  | Repayable in 8 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-95 | 6,000  | Repayable in 9 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-96 | 3,000  | Repayable in 9 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

INR In Lakh

**15.2 Details of terms of redemption/ repayment and security provided in respect of term loans of Parent company:**

As at 31 March 2022

| Particulars  | Amount           | Terms of redemption/ repayment        | Security  |
|--|------------------|---------------------------------------|---|
| Term Loan-97   | 24,374           | Repayable in 13 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-98   | 50,000           | Repayable in 16 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-99   | 49,969           | Repayable in 16 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-100  | 3,333            | Repayable in 8 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-101  | 10,000           | Repayable in 1 Bullet Instalments     | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-102  | 5,833            | Repayable in 7 Quarterly Instalments  | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-103  | 10,000           | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-104  | 15,000           | Repayable in 18 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| Term Loan-105  | 7,498            | Repayable in 20 Quarterly Instalments | Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount. |
| EIR adjustments  | -2,273           |                                       |   |
| <b>Total term loans from banks and financial institution</b> | <b>13,20,562</b> |                                       |   |
|  |                  |                                       |   |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

INR In Lakh

**15.3 Details of terms of redemption/ repayment and security provided in respect of term loans of subsidiary company:**

| Particulars           | Amount  | Terms of redemption/ repayment | Security  |
|-----------------------|---|--------------------------------|---|
| Term loans from banks |   |                                |   |
| Term loan - 1         | 9,333.00 Repayable in 96 Equal Monthly installments<br>(11,839.42) Remaining no. of installments: 45  |                                | Exclusive charge on Specific receivables  |
| Term loan - 2         | 1,578.95 Repayable in 57 Equal Monthly installments<br>(2,631.57) Remaining no. of installments: 18   |                                | Exclusive hypothecation of standard receivables   |
| Term loan - 3         | 8,056.00 Repayable in 31 Equal Quarterly installments<br>(9,672.00) Remaining no. of installments: 20 |                                | Exclusive charge on the company's receivables   |
| Term loan - 4         | 4,838.00 Repayable in 31 Equal Quarterly installments<br>(5,806.00) Remaining no. of installments: 20 |                                | Exclusive charge on the priority sector receivables (housing)<br>(created out of loan proceeds)   |
| Term loan - 5         | 6,417.73 Repayable in 28 Equal Quarterly installments<br>(7,842.60) Remaining no. of installments: 18 |                                | Exclusive charge on the receivables   |
| Term loan - 6         | 6,055.73 Repayable in 28 Equal Quarterly installments<br>(7,485.28) Remaining no. of installments: 17 |                                | Exclusive floating charge on specific book debts and future<br>receivables  |
| Term loan - 7         | 3,544.93 Repayable in 28 Equal Quarterly installments<br>(6,781.74) Remaining no. of installments: 15 |                                | Exclusive charge on receivables of the company  |
| Term loan - 8         | 2,661.36 Repayable in 28 Equal Quarterly installments<br>(3,376.43) Remaining no. of installments: 15 |                                | Exclusive Floating charge on specific book debts and future<br>receivables  |
| Term loan - 9         | 5,353.61 Repayable in 28 Equal Quarterly installments<br>(4,976.79) Remaining no. of installments: 10 |                                | Exclusive charge on receivables of the company  |
| Term loan - 10        | 435.64 Repayable in 31 Equal Quarterly installments<br>(629.16) Remaining no. of installments: 9      |                                | Exclusive charge on specific receivables / book debts other<br>than those specifically charged to other lenders   |
| Term loan - 11        | 3,326.26 Repayable in 24 Equal Quarterly installments<br>(5,000.28) Remaining no. of installments: 8  |                                | Exclusive charge on specific receivables  |
| Term loan - 12        | 3,500.00 Repayable in 20 Equal Quarterly installments<br>(4,500.00) Remaining no. of installments: 14 |                                | Exclusive charge on the unencumbered identified set of<br>receivables from standard assets portfolio of receivables.  |
| Term loan - 13        | 637.00 Repayable in 31 Equal Quarterly installments<br>(961.00) Remaining no. of installments: 8      |                                | Exclusive charge on specific receivables / book debts other<br>than those specifically charged to other lenders   |
| Term loan - 14        | 1,869.91 Repayable in 24 Equal Quarterly installments<br>(3,119.92) Remaining no. of installments: 6  |                                | First charge by way of hypothecation of the specific future<br>receivables from the performing loan portfolio, which are<br>identified by the company from time to time |
| Term loan - 15        | 300.00 Repayable in 24 Equal Quarterly installments<br>(1,125.00) Remaining no. of installments: 5    |                                | Exclusive charge on specific loan receivables   |
| Term loan - 16        | 3,600.00 Repayable in 20 Equal Quarterly installments<br>(8,400.00) Remaining no. of installments: 3  |                                | Exclusive Charge on Book debts  |



**HINDUJA LEYLAND FINANCE LIMITED**  
**Notes to consolidated financial statements for year ended 31 March 2023**

INR In Lakh

**15.3 Details of terms of redemption/ repayment and security provided in respect of term loans of subsidiary company:**

| Particulars    | Amount                   | Terms of redemption/ repayment  | Security  |
|----------------|--------------------------|---|---|
| Term loan - 17 | 625.00<br>(900.00)       | Repayable in 20 Equal Quarterly installments<br>Remaining no. of installments: 2  | Exclusive charge on Specific receivables  |
| Term loan - 18 | 625.00<br>(3,125.00)     | Repayable in 16 Equal Quarterly installments<br>Remaining no. of installments: 1  | Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.   |
| Term loan - 19 | 0.00<br>(416.66)         | Repayable in 12 Equal Quarterly installments<br>Remaining no. of installments: 0  | Hypothecation of exclusive charge on specific receivables   |
| Term loan - 20 | 5,529.71<br>(7,199.43)   | Repayable in 72 Equal Monthly installments<br>Remaining no. of installments: 40   | Exclusive charge on specific receivables  |
| Term loan - 21 | 15,695.72<br>(18,556.04) | Repayable in 28 Equal Quarterly installments<br>Remaining no. of installments: 22 | Exclusive charge on the receivables   |
| Term loan - 22 | 4,583.33<br>(6,250.00)   | Repayable in 18 Equal Quarterly installments<br>Remaining no. of installments: 11 | Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.   |
| Term loan - 23 | 8,792.82<br>(10,644.97)  | Repayable in 81 Equal Monthly installments<br>Remaining no. of installments: 57   | Exclusive charge on specific receivables  |
| Term loan - 24 | 5,354.08<br>(6,467.24)   | Repayable in 81 Equal Monthly installments<br>Remaining no. of installments: 58   | Exclusive charge on the priority sector receivables (housing)   |
| Term loan - 25 | 8,560.26<br>(9,999.45)   | Repayable in 28 Equal Quarterly installments<br>Remaining no. of installments: 24 | First charge by way of hypothecation of the specific future receivables from the performing loan portfolio, which are identified by the company from time to time |
| Term loan - 26 | 7,688.73<br>(9,227.79)   | Repayable in 26 Equal Quarterly installments<br>Remaining no. of installments: 20 | Exclusive charge on the receivables   |
| Term loan - 27 | 6,000.00<br>(7,999.94)   | Repayable in 60 Equal Monthly installments<br>Remaining no. of installments: 36   | Exclusive charge on the priority sector receivables (housing)   |
| Term loan - 28 | 2,000.00<br>(3,000.00)   | Repayable in 3 Equal Annual installments<br>Remaining no. of installments: 2      | Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.   |
| Term loan - 29 | 7,843.47<br>(9,272.35)   | Repayable in 84 Equal Monthly installments<br>Remaining no. of installments: 66   | Exclusive charge of specific receivables from the performing loan portfolio   |
| Term loan - 30 | 19,285.15<br>(11,999.95) | Repayable in 28 Equal Quarterly installments<br>Remaining no. of installments: 27 | Exclusive charge on the receivables   |
| Term loan - 31 | 7,197.53<br>(7,999.40)   | Repayable in 20 Equal Quarterly installments<br>Remaining no. of installments: 18 | Exclusive charge on specific housing loan receivables   |
| Term loan - 32 | 6,388.89<br>(7,499.99)   | Repayable in 81 Equal Monthly installments<br>Remaining no. of installments: 69   | Exclusive hypothecation of PSL receivables  |
| Term loan - 33 | 8,000.00<br>(3,000.00)   | Repayable in 60 Equal Monthly installments<br>Remaining no. of installments: 48   | Exclusive charge on specific loan receivables   |
| Term loan - 34 | 9,606.84<br>(7,999.46)   | Repayable in 28 Equal Quarterly installments<br>Remaining no. of installments: 29 | Exclusive charge on the standard receivables  |
| Term loan - 35 | 19,163.86<br>(19,998.27) | Repayable in 24 Equal Quarterly installments<br>Remaining no. of installments: 23 | Exclusive charge on standard loan receivables   |
| Term loan - 36 | 8,602.38<br>(9,857.42)   | Repayable in 96 Equal Monthly installments<br>Remaining no. of installments: 83   | Exclusive charge on priority sector house mortgage loans/ assets  |
| Term loan - 37 | 9,892.98<br>(9,999.59)   | Repayable in 96 Equal Monthly installments<br>Remaining no. of installments: 95   | Exclusive charge on priority sector house mortgage loans/ assets  |
| Term loan - 38 | 12,096.00<br>(14,032.00) | Repayable in 31 Equal Quarterly installments<br>Remaining no. of installments: 25 | Exclusive charge on the company's receivables   |
| Term loan - 39 | 18,065.00<br>(5,000.00)  | Repayable in 31 Equal Monthly installments<br>Remaining no. of installments: 28   | Exclusive charge on the company's receivables   |



**HINDUJA LEYLAND FINANCE LIMITED**  
**Notes to consolidated financial statements for year ended 31 March 2023**

INR In Lakh

**15.3 Details of terms of redemption/ repayment and security provided in respect of term loans of subsidiary company:**

| Particulars  | Amount                               | Terms of redemption/ repayment  | Security  |
|--|--------------------------------------|---|---|
| Term loan - 40   | 4,062.48<br>(5,000.00)               | Repayable in 16 Equal Quarterly installments<br>Remaining no. of installments: 13 | Exclusive charge of specific standard receivables   |
| Term loan - 41   | 16,923.08<br>(20,000.00)             | Repayable in 26 Equal Quarterly installments<br>Remaining no. of installments: 22 | Exclusive charge on the receivables   |
| Term loan - 42   | 8,808.99<br>(7999.37)                | Repayable in 84 Equal Monthly installments<br>Remaining no. of installments: 74   | Exclusive hypothecation of book debts   |
| Term loan - 43   | 25,000.00<br>(0)                     | Repayable in 26 Equal Quarterly installments<br>Remaining no. of installments: 26 | Exclusive charge of specific standard receivables   |
| Term loan - 44   | 11,305.56<br>(0)                     | Repayable in 18 Equal Quarterly installments<br>Remaining no. of installments: 17 | Exclusive charge on identified receivables of the company                                     |
| Term loan - 45   | 4,722.23<br>(0)                      | Repayable in 18 Equal Quarterly installments<br>Remaining no. of installments: 17 | Exclusive charge on identified receivables of the company                                     |
| Term loan - 46   | 10,000.00<br>(0)                     | Repayable in 30 Equal Quarterly installments<br>Remaining no. of installments: 30 | Exclusive charge of specific standard receivables   |
| Term loan - 47   | 5,000.00<br>(0)                      | Repayable in 81 Equal Quarterly installments<br>Remaining no. of installments: 81 | Exclusive charge of specific standard receivables which are forming part of PSL portfolio     |
| Term loan - 48   | 10,000.00<br>(0)                     | Repayable in 81 Equal Quarterly installments<br>Remaining no. of installments: 81 | Exclusive charge of specific standard receivables which are forming part of Non PSL portfolio |
| Term loan - 49   | 7,016.11<br>(0)                      | Repayable in 93 Equal Monthly installments<br>Remaining no. of installments: 87   | Exclusive charge on the company's receivables   |
| Term loan - 50   | 7,096.77<br>(0)                      | Repayable in 93 Equal Monthly installments<br>Remaining no. of installments: 88   | Exclusive charge on the company's receivables   |
| Term loan - 51   | 10,000.00<br>(0)                     | Repayable in 93 Equal Monthly installments<br>Remaining no. of installments: 93   | Exclusive charge on the company's receivables   |
| Term loan - 52   | 9,992.57<br>(0)                      | Repayable in 96 Equal Monthly installments<br>Remaining no. of installments: 96   | Exclusive charge of specific standard receivables   |
| Term loan - 53   | 8,000.00<br>(0)                      | Repayable in 96 Equal Monthly installments<br>Remaining no. of installments: 96   | Exclusive charge of specific standard receivables   |
| Term loan - 54   | 29,999.86<br>(0)                     | Repayable in 28 Equal Quarterly installments<br>Remaining no. of installments: 28 | Exclusive charge on the company's receivables   |
| Term loan - 55   | 19,985.21<br>(0)                     | Repayable in 72 Equal Monthly installments<br>Remaining no. of installments: 72   | Exclusive charge of specific standard receivables   |
| Term loan - 56   | 19,521.65<br>(0)                     | Repayable in 84 Equal Monthly installments<br>Remaining no. of installments: 82   | Exclusive charge of specific standard receivables   |
| Term loan - 57   | 9,640.70<br>(0)                      | Repayable in 28 Equal Quarterly installments<br>Remaining no. of installments: 28 | Exclusive charge of specific standard receivables   |
| Term loan - 58   | 4,781.49<br>(0)                      | Repayable in 23 Equal Quarterly installments<br>Remaining no. of installments: 22 | Exclusive charge of specific standard receivables   |
| Term loan - 59   | 9,999.93<br>(0)                      | Repayable in 18 Equal Quarterly installments<br>Remaining no. of installments: 18 | Exclusive charge of specific standard receivables   |
| <b>Total term loans from banks and financial institution</b> | <b>4,84,961.49<br/>(3,07,586.52)</b> |   |   |

Note:

(i) Figures in bracket represents the figures for FY 2021-22

(ii) Maturity profile above is disclosed at face value which excludes the impact of effective rate of interest and interest accrued amounting to INR 852 Lakh (31 March 2022 - INR 496 Lakh)





**HINDUJA LEYLAND FINANCE LIMITED**  
**Notes to consolidated financial statements for year ended 31 March 2023**

**17 Other financial liabilities**

**INR In Lakh**

| <b>Particulars</b>  | <b>As at</b>         | <b>As at</b>         |
|---|----------------------|----------------------|
|   | <b>31 March 2023</b> | <b>31 March 2022</b> |
| Interest accrued but not due on borrowings                  | 18,120               | 17,298               |
| Payable to assignees towards collections in assigned assets | 22,376               | 24,269               |
| Interest participation payable                              | 10,949               | 10,870               |
| Corporate social responsibility payable                     | 632                  | 506                  |
| Payable to employees  | 1,709                | 1,560                |
| Lease liabilities   | 5,242                | 3,923                |
| Other payable   | 3,472                | 1,247                |
| <b>Total</b>  | <b>62,500</b>        | <b>59,673</b>        |

**18 Provisions**

| <b>Particulars</b>                              | <b>As at</b>         | <b>As at</b>         |
|---|----------------------|----------------------|
|   | <b>31 March 2023</b> | <b>31 March 2022</b> |
| Provision for employee benefits (refer note 35) |                      |                      |
| - gratuity                                      | 53                   | 84                   |
| - compensated absences                          | 318                  | 293                  |
| <b>Total</b>                                    | <b>371</b>           | <b>377</b>           |

**19 Other non-financial liabilities**

| <b>Particulars</b>    | <b>As at</b>         | <b>As at</b>         |
|-----------------------|----------------------|----------------------|
|                       | <b>31 March 2023</b> | <b>31 March 2022</b> |
| Statutory liabilities | 1,073                | 1,166                |
| <b>Total</b>          | <b>1,073</b>         | <b>1,166</b>         |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

**20 Equity share capital**

INR In Lakh

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Authorised</b>  |                        |                        |
| 62,29,07,700 (31 March 2022: 62,29,07,700) equity shares of INR 10/- each  | 62,291                 | 62,291                 |
|  | <b>62,291</b>          | <b>62,291</b>          |
| <b>Issued, subscribed and fully paid up</b>                                |                        |                        |
| 53,50,19,990 (31 March 2022 : 46,98,92,990) equity shares of INR 10/- each | 53,502                 | 46,989                 |
|  | <b>53,502</b>          | <b>46,989</b>          |

**Notes:**

**a) Reconciliation of number of Equity shares subscribed**

| Particulars                        | Year ended<br>31 March 2023 |                 | Year ended<br>31 March 2022 |                 |
|------------------------------------|-----------------------------|-----------------|-----------------------------|-----------------|
|                                    | No. of shares               | Amount in Lakhs | No. of shares               | Amount in Lakhs |
| <b>Equity shares</b>               |                             |                 |                             |                 |
| At the commencement of the year    | 46,98,92,990                | 46,989          | 46,97,82,490                | 46,978          |
| Add: Shares issued during the year | 6,51,27,000                 | 6,513           | 1,10,500                    | 11              |
| <b>At the end of the year</b>      | <b>53,50,19,990</b>         | <b>53,502</b>   | <b>46,98,92,990</b>         | <b>46,989</b>   |

\*The Parent Company has raised Rs 91,000 lakhs through preferential issue of 6,50,00,000 equity shares issued to various Qualified Institutional Buyers (QIBs) during October 2022 and the shares were allotted on 13 October 2022 at an issue price being Rs 140/- face value Rs 10/- per share; securities premium Rs 130/- per share, thereby increasing the share capital by Rs. 6,500 lakhs and securities premium by Rs.84,500 lakhs.

**b) Terms/ rights attached to equity shares**

The Company has a single class of equity shares having face value of INR 10/- each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates**

| Particulars                            | As at 31 March 2023 |        | As at 31 March 2022 |        |
|--|---------------------|--------|---------------------|--------|
|  | No. of shares       | % held | No. of shares       | % held |
| <b>Equity shares</b>                   |                     |        |                     |        |
| Ashok Leyland Limited; Holding company | 32,32,46,338        | 60.42% | 32,32,46,338        | 68.81% |

**d) Details of shareholders holding more than 5% shares in the Company**

| Particulars                            | As at 31 March 2023 |        | As at 31 March 2022 |        |
|--|---------------------|--------|---------------------|--------|
|  | No. of shares       | % held | No. of shares       | % held |
| <b>Equity shares</b>                   |                     |        |                     |        |
| Ashok Leyland Limited; holding company | 32,32,46,338        | 60.42% | 32,32,46,338        | 68.81% |
| Hinduja Automotive Limited             | 6,92,77,542         | 12.95% | 12,22,67,542        | 26.02% |
| Abridge Investments Ltd                | 3,50,00,000         | 6.54%  | -                   | -      |
| Aviator Global Investment Fund         | 2,85,00,000         | 5.33%  | -                   | -      |
| Elara India Opportunities Fund Limited | 2,79,90,000         | 5.23%  | -                   | -      |

**e) Shares reserved for issue under employee stock option plan**

| Particulars   | As at 31 March 2023 |        | As at 31 March 2022 |        |
|---|---------------------|--------|---------------------|--------|
|   | Number              | Amount | Number              | Amount |
| Under Employee stock option scheme, 2013, at an exercise price as determined by the Nomination and Remuneration Committee | 1,83,82,248         | 184    | 1,83,75,248         | 184    |

**f) Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

During the five-year period ended 31 March 2023: 25,92,500 (31 March 2022: 24,40,000) equity shares issued under employee stock option plan for which only exercise price has been received in cash.

**g) Details of promoters holding shares in the Company**

| Promoter name                          | No. of shares | As at 31 March 2023 |                          |
|--|---------------|---------------------|--------------------------|
|  |               | % of total shares   | % Change during the year |
| Ashok Leyland Limited; holding company | 32,32,46,338  | 60.42%              | -8.39%                   |

  

| Promoter name                          | No. of shares | As at 31 March 2022 |                          |
|--|---------------|---------------------|--------------------------|
|  |               | % of total shares   | % Change during the year |
| Ashok Leyland Limited; holding company | 32,32,46,338  | 68.81%              | 0.02%                    |



## HINDUJA LEYLAND FINANCE LIMITED

Notes to consolidated financial statements for year ended 31 March 2023

### 21 Other Equity

INR In Lakh

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>a) Securities premium account</b>   |                        |                        |
| Balance at the beginning of the year   | 96,706                 | 96,656                 |
| Add: Premium on issue of shares  | 84,612                 | 37                     |
| Add: Transferred from Employee Stock Option Outstanding account  | -                      | 13                     |
| Balance at the end of the year   | <b>1,81,318</b>        | <b>96,706</b>          |
| <b>b) Employee stock option outstanding account</b>  |                        |                        |
| Balance at the beginning of the year   | 378                    | 232                    |
| Add: Share based payment expense for the year  | 80                     | 159                    |
| Less: Transferred to securities premium  | -                      | (13)                   |
| Balance at the end of the year   | <b>458</b>             | <b>378</b>             |
| <b>c) Statutory and special reserves</b>   |                        |                        |
| <b>(As per Section 45-IC of Reserve Bank of India Act, 1934, As per section 29C of The National Housing Bank Act, 1987 and As per section 36(1)(viii) of Income Tax Act, 1961)</b> |                        |                        |
| Balance at the beginning of the year   | 44,270                 | 37,452                 |
| Add: Amount transferred from surplus in statement of profit and loss   | 9,800                  | 6,818                  |
| Balance at the end of the year   | <b>54,070</b>          | <b>44,270</b>          |
| <b>d) Retained earnings (Surplus in Statement of Profit and Loss)</b>  |                        |                        |
| Balance at the beginning of the year   | 1,66,454               | 1,39,183               |
| Add: Profit for the year   | 49,000                 | 34,089                 |
| Less: Transferred to statutory and special reserve   | (9,800)                | (6,818)                |
| Balance at the end of the year   | <b>2,05,654</b>        | <b>1,66,454</b>        |
| <b>e) Other comprehensive income</b>   |                        |                        |
| Balance at the beginning of the year   | 55,491                 | 76,215                 |
| Add: Comprehensive income for the year   | 9,358                  | (20,724)               |
| Balance at the end of the year   | <b>64,849</b>          | <b>55,491</b>          |
| <b>Total (a+b+c+d+e)</b>   | <b>5,06,349</b>        | <b>3,63,299</b>        |

#### Nature and purpose of reserve

##### Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act 2013.

##### Employee stock option outstanding

The Group has established various equity settled share based payment plans for certain categories of employees of the Group.

##### Statutory Reserve

###### (a) Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 ("the RBI Act, 1934")

Reserve u/s 45-IA of the RBI Act, 1934, the Group is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared

###### (b) Statutory Reserve u/s. 29C of National Housing Bank Act, 1987 ("the NHB Act, 1987")

Section 29C (i) of The National Housing Bank (NHB), 1987 defines that every housing finance institution which is a company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the company under section 36(1)(viii) of the Income Tax Act, 1961, is considered to be an eligible transfer.

##### Surplus in the statement of profit and loss

Surplus in the statement of profit and loss is the accumulated available profit of the Group carried forward from earlier year. These reserves are free reserves which can be utilised for any purpose as may be required.

##### Other comprehensive income

a) The Group has elected to recognise changes in the fair value of certain loans and advances where the business model is to collect contractual cash flows and also sell financial assets loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

b) Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.



# HINDUJA LEYLAND FINANCE LIMITED

Notes to consolidated financial statements for year ended 31 March 2023

## 22 Interest income INR In Lakh

| Particulars                             | Year ended<br>31 March 2023                                  |  |                 | Year ended<br>31 March 2022                                  |  |                 |
|---|--|--|-----------------|--|--|-----------------|
|   | On financial assets<br>measured at fair<br>value through OCI | On financial<br>assets measured<br>at amortised cost | Total           | On financial assets<br>measured at fair<br>value through OCI | On financial<br>assets measured at<br>amortised cost | Total           |
| <b>Interest Income</b>                  |  |  |                 |  |  |                 |
| - Interest income on loans to customers | 97,884   | 2,07,728   | 3,05,612        | 82,508   | 1,90,065   | 2,72,573        |
| - Interest income on investments        | -  | 5,630  | 5,630           | -  | 5,317  | 5,317           |
| - Interest income on lease assets       | -  | 58   | 58              | -  | 66   | 66              |
| <b>Total</b>                            | <b>97,884</b>  | <b>2,13,416</b>                                      | <b>3,11,300</b> | <b>82,508</b>  | <b>1,95,448</b>                                      | <b>2,77,956</b> |

## 23 Fees and commission Income

| Particulars   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---------------|-----------------------------|-----------------------------|
| Other charges | 6,374                       | 5,583                       |
| <b>Total</b>  | <b>6,374</b>                | <b>5,583</b>                |

## 24 Net gain on derecognition of financial instruments

| Particulars                   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|-------------------------------|-----------------------------|-----------------------------|
| Income on assignment of loans | 26,865                      | 24,436                      |
| <b>Total</b>                  | <b>26,865</b>               | <b>24,436</b>               |

## 25 Other income

| Particulars                                | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Interest on fixed deposits                 | 168                         | 224                         |
| Other income (refer note below)            | 131                         | 2,401                       |
| Income from marketing and display services | 4,646                       | -                           |
| <b>Total</b>                               | <b>4,945</b>                | <b>2,625</b>                |

Note: Interest on income tax refund amounting to INR 92 lakh for FY 2022-23 and INR 1,287 lakh for FY 2021-22



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

INR In Lakh

**26 Finance Costs**

| Particulars  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>Finance costs on financial liabilities measured at amortised cost</b> |                             |                             |
| Interest on borrowings   |                             |                             |
| - term loans from banks  | 1,44,706                    | 1,20,568                    |
| - cash credits and working capital demand loans                          | 2,616                       | 1,373                       |
| - other borrowing cost   | 323                         | 1,199                       |
| Interest on debt securities  | 9,291                       | 12,419                      |
| Interest on subordinated liabilities                                     | 11,207                      | 13,162                      |
| Amortisation of discount on commercial papers                            | 432                         | 434                         |
| Amortisation of ancillary costs relating to borrowings                   | 3,100                       | 3,728                       |
| Interest on deferred lease liabilities                                   | 437                         | 528                         |
| <b>Total</b>   | <b>1,72,112</b>             | <b>1,53,411</b>             |

**27 Fees and commission expense**

| Particulars                            | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Service provider and sourcing expenses | 6,435                       | 5,961                       |
| <b>Total</b>                           | <b>6,435</b>                | <b>5,961</b>                |

**28 Impairment on financial instruments**

| Particulars  | Year ended<br>31 March 2023  |   | Year ended<br>31 March 2022                                     |  |
|--|--|---|---|--|
|  | On financial<br>assets<br>measured at<br>fair value<br>through OCI | On financial<br>assets measured<br>at amortised<br>cost | On financial<br>assets measured<br>at fair value<br>through OCI | On financial<br>assets measured<br>at amortised cost |
| Provision for expected credit loss and amounts written off | -  | 61,438  | -   | 71,053   |
| Impairment loss on EIS receivable                          | -  | 3,240   | -   | 3,690  |
| <b>Total</b>   | <b>-</b>   | <b>64,678</b>   | <b>-</b>  | <b>74,743</b>  |

**29 Employee benefits expense**

| Particulars   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Salaries, wages and bonus                           | 20,477                      | 17,126                      |
| Contribution to provident, gratuity and other funds | 991                         | 836                         |
| Contribution to gratuity                            | 137                         | 145                         |
| Staff welfare expenses                              | 408                         | 289                         |
| Employee stock option expenses (refer note 34)      | 80                          | 159                         |
| <b>Total</b>  | <b>22,093</b>               | <b>18,555</b>               |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to consolidated financial statements for year ended 31 March 2023

INR In Lakh

**30 Depreciation and amortization expense**

| Particulars   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Depreciation of property, plant and equipment (refer note 11) | 522                         | 595                         |
| Amortisation of intangible assets (refer note 11B)            | 34                          | 28                          |
| Depreciation on right of use assets (refer note 11C)          | 1,363                       | 1,083                       |
| <b>Total</b>  | <b>1,919</b>                | <b>1,706</b>                |

**31 Other expenses**

| Particulars  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Legal and professional charges                                 | 7,614                       | 4,088                       |
| Rent (refer note 40)   | 384                         | 443                         |
| Communication expenses   | 971                         | 596                         |
| Insurance  | 701                         | 654                         |
| Electricity charges  | 326                         | 236                         |
| Rates and taxes  | 212                         | 124                         |
| Office maintenance   | 226                         | 212                         |
| Repairs and maintenance  | 288                         | 236                         |
| Bank charges   | 1,065                       | 130                         |
| Printing and stationery  | 501                         | 380                         |
| Travelling and conveyance                                      | 2,378                       | 1,128                       |
| Auditor remuneration (refer note 31.1)                         | 179                         | 170                         |
| Meeting and conference expenses                                | 99                          | 32                          |
| Commission to directors  | 217                         | 190                         |
| Sitting fees to directors                                      | 233                         | 118                         |
| Expenditure on corporate social responsibility (refer note 41) | 908                         | 1,235                       |
| Miscellaneous expenses   | 966                         | 683                         |
| <b>Total</b>   | <b>17,267</b>               | <b>10,655</b>               |

**31.1 Payments to auditor (excluding goods and services tax)**

|                               |            |            |
|-------------------------------|------------|------------|
| (a) As auditor:               |            |            |
| Statutory audit               | 103        | 88         |
| Tax audit                     | 4          | 4          |
| Limited review                | 26         | 18         |
| Consolidation                 | 13         | 13         |
| (b) In other capacity:        |            |            |
| Certification                 | 11         | 18         |
| Other services                | 13         | 20         |
| (c) Reimbursement of expenses | 9          | 9          |
|                               | <b>179</b> | <b>170</b> |



**HINDUJA LEYLAND FINANCE LIMITED**  
**Notes to Consolidated Financial Statements for year ended 31 March 2023**

INR In Lakh

**32 Income Tax**

The components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

| Particulars                     | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---------------------------------|-----------------------------|-----------------------------|
| Current tax                     | 15,152                      | 8,092                       |
| Deferred tax                    | 1,139                       | 2,630                       |
| Tax pertaining to earlier years | -                           | 71                          |
| <b>Total tax charge</b>         | <b>16,291</b>               | <b>10,793</b>               |

**32.1 Income tax recognised in other comprehensive income**

| Particulars  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Arising on income and expenses recognised in other comprehensive income: |                             |                             |
| Remeasurement of defined benefit obligation                              | (37)                        | (27)                        |
| (Loss)/Gain on fair valuation of loans                                   | (3,095)                     | 7,006                       |
| <b>Total income tax recognised in other comprehensive income</b>         | <b>(3,132)</b>              | <b>6,979</b>                |

**32.2 Reconciliation of the total tax charge**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2023 and 31 March 2022 is, as follows:-

| Particulars  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Accounting profit before tax                                       | 65,651                      | 44,764                      |
| Applicable tax rate  | 25.17%                      | 25.17%                      |
| <b>Computed tax expense</b>  | <b>16,523</b>               | <b>11,266</b>               |
| <b>Tax effect of :</b>   |                             |                             |
| Permanent differences  | (232)                       | (473)                       |
| <b>Tax expenses recognised in the statement of profit and loss</b> | <b>16,291</b>               | <b>10,793</b>               |
| Effective tax rate   | 24.81%                      | 24.11%                      |

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% for the year 31 March 2023 and 31 March 2022 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

**32.3 Deferred tax liabilities (net)**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense

| Component of Deferred tax asset / (liability)    | As at<br>1 April 2022 | Statement of<br>profit and loss | Other<br>comprehensive<br>income | As at<br>31 March 2023 |
|--|-----------------------|---------------------------------|----------------------------------|------------------------|
| Deferred tax asset / (liability) in relation to: |                       |                                 |                                  |                        |
| Fixed assets                                     | 50                    | (111)                           | -                                | (61)                   |
| Impact of fair value of assets                   | (18,660)              | -                               | (3,095)                          | (21,755)               |
| Impairment on financial assets                   | 15,419                | 1,743                           | -                                | 17,162                 |
| Provision for employee benefits                  | 120                   | (33)                            | (37)                             | 51                     |
| Impact on other receivables                      | (7,180)               | (568)                           | -                                | (7,748)                |
| Impact on leases                                 | 127                   | (1)                             | -                                | 126                    |
| Impact of prepaid expenses                       | (6,067)               | (415)                           | -                                | (6,482)                |
| Excess interest spread upfronting                | (877)                 | (1,682)                         | -                                | (2,558)                |
| Others   | (13)                  | (73)                            | -                                | (86)                   |
| <b>Total</b>                                     | <b>(17,081)</b>       | <b>(1,139)</b>                  | <b>(3,132)</b>                   | <b>(21,351)</b>        |

| Component of Deferred tax asset / (liability)    | As at<br>1 April 2021 | Statement of<br>profit and loss | Other<br>comprehensive<br>income | As at<br>31 March 2022 |
|--|-----------------------|---------------------------------|----------------------------------|------------------------|
| Deferred tax asset / (liability) in relation to: |                       |                                 |                                  |                        |
| Fixed assets                                     | 45                    | 5                               | -                                | 50                     |
| Impact of fair value of assets                   | (25,720)              | 54                              | 7,006                            | (18,660)               |
| Impairment on financial assets                   | 17,908                | (2,489)                         | -                                | 15,419                 |
| Provision for employee benefits                  | 128                   | 19                              | (27)                             | 120                    |
| Impact on other receivables                      | (6,830)               | (350)                           | -                                | (7,180)                |
| Impact on leases                                 | (2)                   | 129                             | -                                | 127                    |
| Impact of prepaid expenses                       | (6,517)               | 450                             | -                                | (6,067)                |
| Excess interest spread upfronting                | (344)                 | (533)                           | -                                | (877)                  |
| Others   | (98)                  | 85                              | -                                | (13)                   |
| <b>Total</b>                                     | <b>(21,430)</b>       | <b>(2,630)</b>                  | <b>6,979</b>                     | <b>(17,080)</b>        |



**HINDUJA LEYLAND FINANCE LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2023**

**33 Earnings per share ('EPS')**

| Particulars   | INR In Lakh                 |                             |
|---|-----------------------------|-----------------------------|
|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
| <b>Earnings</b>   |                             |                             |
| Net profit attributable to equity shareholders for calculation of basic EPS                         | 48,999                      | 34,089                      |
| Net profit attributable to equity shareholders for calculation of diluted EPS                       | 48,999                      | 34,089                      |
| <b>Shares</b>   |                             |                             |
| Equity shares at the beginning of the year  | 46,98,92,990                | 46,97,82,490                |
| Shares issued during the year   | 6,51,27,000                 | 1,10,500                    |
| Total number of equity shares outstanding at the end of the year                                    | 53,50,19,990                | 46,98,92,990                |
| Weighted average number of equity shares outstanding during the year for calculation of basic EPS   | 50,02,14,382                | 46,98,44,549                |
| <b>Effect of dilutive potential equity shares</b>   |                             |                             |
| Employee stock options  | 2,55,358                    | 1,86,017                    |
| Weighted average number of equity shares outstanding during the year for calculation of diluted EPS | 50,04,69,740                | 47,00,30,566                |
| Face value per share  | 10.00                       | 10.00                       |
| <b>Earnings per share</b>   |                             |                             |
| Basic   | 9.80                        | 7.26                        |
| Diluted   | 9.80                        | 7.25                        |

**34 Employee stock option**

The Parent company has granted certain stock options to its employees under Employee stock option scheme, 2013 ("ESOP Scheme"). The employee stock options granted entitle the employees to purchase equity shares at an exercise price either at INR 10/- per option or fair value at the date of the grant or as determined by the Nomination and Remuneration Committee at the date of grant.

During the current year, the Group has not granted options to its employees under the ESOP Scheme.

Options to employees are usually granted with a four-year rateable vesting. The options would need to be exercised within a 5 years period from the date of vesting.

The vesting pattern is indicated below

| Particulars                                       | Vesting pattern | Vesting pattern | Vesting pattern | Vesting pattern | Vesting pattern |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Grant date  | 03-Jun-21       | 22-May-19       | 29-Jan-18       | 23-May-17       | 10-Nov-16       |
| At the end of one year of service from grant date | 20%             | 20%             | 20%             | 20%             | 20%             |
| At the end of two years                           | 20%             | 20%             | 20%             | 20%             | 20%             |
| At the end of three years                         | 30%             | 30%             | 30%             | 30%             | 30%             |
| At the end of four years                          | 30%             | 30%             | 30%             | 30%             | 30%             |

**Share based payment expense**

The expense recognised during the current year under the intrinsic value method:

| Particulars   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| <b>Share based payment expense:</b>                             |                             |                             |
| Total expense recognised in 'employee benefits' (refer note 29) | 80                          | 159                         |





**HINDUJA LEYLAND FINANCE LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2023**

**Reconciliation of outstanding options**

The number and the weighted average exercise prices of share options under employee stock option plan are as follows:

| Particulars                          | Year ended 31 March 2023 |                                 | Year ended 31 March 2022 |                                 |
|--------------------------------------|--------------------------|---------------------------------|--------------------------|---------------------------------|
|                                      | No of options            | Weighted average exercise price | No of options            | Weighted average exercise price |
| Outstanding at beginning of the year | 14,44,500                | 84.55                           | 12,19,000                | 81.79                           |
| Granted during the year              | -                        | -                               | 3,25,000                 | 92.87                           |
| Reinitiated during the year          | -                        | -                               | 1,48,500                 | 48.09                           |
| Forfeited during the year            | 7,000                    | 54.40                           | 1,84,000                 | 61.95                           |
| Exercised during the year            | 1,27,000                 | 88.89                           | 64,000                   | 55.10                           |
| Expired during the year              | -                        | -                               | -                        | -                               |
| Outstanding at the end of the year   | 13,10,500                | 84.20                           | 14,44,500                | 84.55                           |

The options outstanding at the year-end have an exercise price and a weighted average contractual life as given below:

| Particulars | 31 March 2023             |                         |                                 | 31 March 2022             |                         |                                 |
|-------------|---------------------------|-------------------------|---------------------------------|---------------------------|-------------------------|---------------------------------|
|             | No of outstanding options | Range of exercise price | Weighted average remaining life | No of outstanding options | Range of exercise price | Weighted average remaining life |
| ESOP Scheme | 13,10,500                 | INR/- 28.00 to 110      | 1 – 4 years                     | 14,44,500                 | INR/- 28.00 to 110      | 1 – 4 years                     |

**Measurement of fair values**

The fair value of employee stock options is measured using the Black Scholes Model.

The inputs used in the computation of fair value of the grant date fair value are as follows:

| Grant date  | 03-Jun-2021 | 22-May-2019 | 29-Jan-2018 | 23-May-2017 | 10-Nov-2016 |
|---|-------------|-------------|-------------|-------------|-------------|
| No of shares  | 3,25,000    | 1,60,000    | 4,10,000    | 50,000      | 11,90,000   |
| Value of the share at the grant date                | 100         | 110         | 110         | 95          | 79          |
| Exercise price                                      | 92.97       | 110         | 110         | 75          | 54.4        |
| Expected volatility                                 | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       |
| Expected dividends                                  | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       |
| Risk-free interest rate (based on government bonds) | 7.08%       | 7.08%       | 7.08%       | 7.08%       | 6.88%       |
| Expected life                                       | 4 years     | 4 years     | 4 years     | 4 years     | 4 years     |

Note: The Exercise Period shall commence from the date of Vesting and the Vested Options can be Exercised within a period of 5 years from date of Vesting of Option or till it is cancelled as per the provisions of the Scheme.

**35 Employee benefit (post employment benefit plans)**

**a) Defined contribution plans**

The Group operates defined contribution plan (Provident fund) for all qualifying employees of the Group. The employees of the Group are members of a retirement contribution plan operated by the government. The Group is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Group with respect to the plan is to make the specified contributions.

The group's contribution to Provident Fund aggregating INR 859 lakhs (31 March 2022 : INR 743 lakhs) (refer note 29) has been recognised in the Statement of Profit and Loss under the head employee benefits expense.



**HINDUJA LEYLAND FINANCE LIMITED**  
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**b) Defined benefit obligation**

**Gratuity benefit plan**

The Group operates a defined benefit plan (the Gratuity plan) covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The liability under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The plan is of a final salary defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

**Interest rate risk:** The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

**Longevity risk:** Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the Group. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

**Salary risk:** The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the Group, which results in a higher liability for the Group and is therefore a plan risk for the Group.

| Particulars                        | 31 March 2023   | 31 March 2022   |
|------------------------------------|---|---|
| <b>Significant assumptions</b>     |   |   |
| Discount rate                      | 7.00%   | 5.70%   |
| Expected rate of salary escalation | 8.00%   | 10.00%  |
| <b>Other assumption</b>            |   |   |
| Mortality rate                     | Indian Assured<br>Lives Mortality<br>2006-08 Ultimate | Indian Assured<br>Lives Mortality<br>2006-08 Ultimate |

The defined benefit plans expose the Group to risks such as Actuarial risk, Investment risk, Liquidity risk, Market risk, Legislative risk. These are discussed as follows:

**Actuarial risk:** It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse salary growth experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**Investment risk:** For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**Liquidity risk:** Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Group there can be strain on the cash flows.

**Market risk:** Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.



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**Notes to Consolidated financial statements for the year ended 31 March 2023**

**b) Defined benefit obligation (continued)**

**Legislative risk:** Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

**Amount recognised in balance sheet in respect of these defined benefit obligation :**

| Particulars   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| Present value of obligations                              | 792                    | 813                    |
| Fair value of plan assets                                 | 867                    | 792                    |
| <b>Asset/ (Liability) recognised in the Balance Sheet</b> | <b>75</b>              | <b>(21)</b>            |

**Amount recognised in statement of profit and loss in respect of these defined benefit obligation :**

| Particulars   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Current service cost  | 186                         | 185                         |
| Past service cost   | -                           | -                           |
| Net interest cost   | 5                           | 9                           |
| <b>Components of defined benefits costs recognised in profit or loss.</b> | <b>191</b>                  | <b>194</b>                  |
| Remeasurements on the net defined benefit liability :                     |                             |                             |
| - Actuarial (gain)/loss from change in demographic assumptions            | (24)                        | (46)                        |
| - Actuarial (gain)/loss from change in financial assumptions              | (97)                        | 7                           |
| - Actuarial (gain)/loss from change in experience adjustments             | (13)                        | (58)                        |
| - Return on plan assets (greater)/less than discount rate                 | (11)                        | (9)                         |
| <b>Total amount recognised in other comprehensive income</b>              | <b>(145)</b>                | <b>(106)</b>                |
| <b>Total</b>  | <b>46</b>                   | <b>88</b>                   |

The current service cost and the net interest expense for the year are included in the "Employee Benefit Expense" line item in the statement of profit and loss

| Particulars  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Opening defined benefit obligation                             | 813                         | 751                         |
| Current service cost   | 186                         | 185                         |
| Past service cost  | -                           | -                           |
| Interest cost  | 45                          | 39                          |
| <b>Remeasurements (gains)/losses:</b>                          |                             |                             |
| - Actuarial (gain)/loss from change in demographic assumptions | (24)                        | (46)                        |
| - Actuarial (gain)/loss from change in financial assumptions   | (97)                        | 7                           |
| - Actuarial (gain)/loss from change in experience adjustments  | (13)                        | (59)                        |
| Liabilities assumed *  | -                           | (3)                         |
| Benefits paid  | (118)                       | (61)                        |
| <b>Closing defined benefit obligation</b>                      | <b>792</b>                  | <b>813</b>                  |



**HINDUJA LEYLAND FINANCE LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2023**

**b) Defined benefit obligation (continued)**

**Movement in fair value of plan assets**

| Particulars  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Fair value of plan assets at the beginning of the year | 792                         | 514                         |
| Contributions paid into the plan                       | 20                          | 237                         |
| Benefits paid by the plan                              | (5)                         | (1)                         |
| Expected return on plan assets                         | 47                          | 33                          |
| Actuarial (losses) / gains                             | 13                          | 9                           |
| Fair value of plan assets at the end of the year       | 867                         | 792                         |

**Expense recognised in the statement of profit or loss**

| Particulars                                       | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Current service cost                              | 186                         | 185                         |
| Interest on obligation                            | 45                          | 39                          |
| Expected return on plan assets                    | 33                          | 27                          |
| Net actuarial (gain)/ loss recognised in the year | (134)                       | (95)                        |
| Benefits paid directly by the Group               | (112)                       | (63)                        |
| Total   | 18                          | 93                          |

**Actuarial assumptions**

| Particulars                             | As at<br>31 March 2023          | As at<br>31 March 2022 |
|---|---------------------------------|------------------------|
| Discount rate                           | 7.00%                           | 5.70%                  |
| Estimated rate of return on plan assets | 7.00%                           | 5.70%                  |
| Attrition rate                          | M1 - M7: 38%<br>M8 - M12: 18.5% | 25.00%                 |
| Future salary increases                 | 8.00%                           | 10.00%                 |
| Retirement age                          | 58 years                        | 58 years               |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

**Five year information**

| Gratuity                                   | As at<br>31 March 2023 | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| Defined benefit obligation                 | 792                    | 813                    | 751                    | 552                    | 353                    |
| Fair value of plan assets                  | 867                    | 792                    | 514                    | 330                    | 220                    |
| (Excess)/Deficit in plan                   | (75)                   | 21                     | 237                    | 221                    | 132                    |
| Experience adjustments on plan liabilities | (13)                   | (58)                   | 13                     | 33                     | 40                     |
| Experience adjustments on plan assets      | (11)                   | (9)                    | 4                      | 2                      | 2                      |

**Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is as follows :

|   | Year ended 31 March 2023<br>Increase | Decrease | Year ended 31 March 2022<br>Increase | Decrease |
|---|--------------------------------------|----------|--------------------------------------|----------|
| <b>100 basis points increase/decrease</b> |                                      |          |                                      |          |
| Discount rate                             | (20)                                 | 22       | (25)                                 | 27       |
| Future salary growth                      | 20                                   | (19)     | 25                                   | (24)     |
| Attrition rate                            | (26)                                 | 34       | (8)                                  | 9        |



**HINDUJA LEYLAND FINANCE LIMITED**  
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**b) Defined benefit obligation (continued)**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

| Particulars                             | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| Expected benefits for year 1            | 205.38                 | 155.45                 |
| Expected benefits for year 2            | 171.48                 | 141.20                 |
| Expected benefits for year 3            | 156.38                 | 162.08                 |
| Expected benefits for year 4            | 142.68                 | 164.72                 |
| Expected benefits for year 5            | 158.53                 | 166.71                 |
| Expected benefits for year 6            | 143.35                 | 173.08                 |
| Expected benefits for year 7            | 136.66                 | 151.84                 |
| Expected benefits for year 8            | 121.03                 | 139.73                 |
| Expected benefits for year 9            | 96.16                  | 123.02                 |
| Expected benefits for year 10 and above | 69.88                  | 105.62                 |

The weighted average duration of the payment of these cash flows is 3 years (FY 2021-22 - 4 years)

The expected contributions for the next year is INR 224 lakh.

**c) Other long term employee benefits**

The liability for compensated absences as at 31 March 2023 is INR 318 lakhs and as at 31 March 2022 is INR 293 lakhs.

- d)** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**36 Segment reporting**

The Group is primarily engaged into lending business. The Group has its operations within India and all revenues are generated within India. As such, there are no separate reportable segment as per the provisions of Ind AS 108 'Operating Segments'.

**37 Contingent liabilities and commitments**

| Particulars   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| Claims against the Group not acknowledged as debts: Value added taxes | 139                    | 139                    |
| Bank guarantee against securitisation transactions                    | 205                    | 200                    |
| Claims against the Group not acknowledged as debts: Direct taxes      | 819                    | 991                    |
| Commitments: Sanctioned and undisbursed amounts of loans              | 18,571                 | 12,355                 |

The Group also receives claims, including those on collection and repossession related matters, which arise in the ordinary course of the business. However, the management does not believe that such matters would have a material effect on the financial statements.

There are no significant capital commitments as at the year end.

| Name of Statute         | Nature of Dues  | Period to which amount relates | Forum where the dispute is pending    | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------------|-----------------|--------------------------------|---------------------------------------|------------------------|------------------------|
| Income Tax              | Income Tax      | 2017-18                        | CIT Appeal                            | 819                    | 991                    |
| Odisha VAT Act, 2004    | Value Added Tax | 2012-13                        | High court of judicature at Orissa    | 0                      | 0                      |
| Pradesh VAT Act, 2005   | Value Added Tax | 2011-12                        | High court of judicature at Hyderabad | 18                     | 18                     |
| Karnataka VAT Act, 2003 | Value Added Tax | 2012-13 to 2016-17             | High court of judicature at Bangalore | 121                    | 121                    |



**HINDUJA LEYLAND FINANCE LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2023**

**38 Related party disclosures**

**Name of the related parties and nature of relationship**

|  |   |
|--|---|
| Holding company / Ultimate Holding Company | Ashok Leyland Limited ("ALL") – Holding Company of Hinduja Leyland Finance Limited<br>Hinduja Automotive Limited ("HAL") – Holding Company of ALL<br>Machen Holdings S.A ("Machen") – Holding Company of HAL<br>Machen Development Corporation ("MDC") – Holding Company of Machen<br>Amas Holdings S.A. – Holding Company of MDC   |
| Subsidiary company                         | Hinduja Housing Finance Limited ("HHF")<br>Hinduja Insurance Broking & Advisory Services Limited ("HIBAL")( Voluntary Winding Up)<br>Gaadi Mandi Digital Platforms Limited  |
| Associate company                          | HLF Services Limited ("HSL")  |
| Fellow subsidiary                          | Hinduja Energy (India) Limited<br>Gulf Ashley Motors Limited<br>Ashley Aviation Limited   |
| Joint venture                              | Gro Digital Platforms Limited ("GDPL")  |
| Key management personnel (KMP)             | Mr. Dheeraj G Hinduja, Chairman<br>Mr. S. Nagarajan, Executive Vice Chairman ( Retired on 31 March 2023)<br>Mr. Sachin Pillai, Managing Director & CEO<br>Mr. Gopal Mahadevan, Director<br>Mr. Sudhanshu Tripathi, Director<br>Mr. G S Sundararajan, Independent Director<br>Mr. R S Sharma, Independent Director<br>Ms. Manju Agarwal, Independent Director<br>Mr. D Sarkar, Independent Director<br>Mr. Jean Brunol, Independent Director (With effect from 22 March 2022)<br>Dr. Mandeep Maitra , Independent Director<br>Ms. Bhumika Batra, Independent Director (Resigned on 27 February 2023)<br>Mr. Kishore Kumar Lodha, Chief Financial Officer (Resigned on 9 September 2022)<br>Mr. Vikash Jain ,Chief Financial Officer (With Effect from 9 September 2022)<br>Mr. B Shanmugasundaram, Company Secretary<br>Mr. Srinivas Acharya, Independent Director<br>Ms. Manju Agarwal, Independent Director (With Effect from 29 March 2023) |

**Related party transactions**

|  | <b>INR In Lakh</b>               |                  |                          |                          |            |
|--|----------------------------------|------------------|--------------------------|--------------------------|------------|
| <b>Nature of transaction</b>   | <b>Holding company<br/>(ALL)</b> | <b>Associate</b> | <b>Fellow subsidiary</b> | <b>Joint<br/>Venture</b> | <b>KMP</b> |
| Investment in equity shares - Hinduja Insurance  | -                                | -                | -                        | (1,000)                  | -          |
| Inter-corporate deposits (Hinduja Energy (India) Limited & Gro Digital Platforms Limited)              | -                                | -                | -                        | 1,400<br>(50)            | -          |
| Repayment of Inter-corporate deposits (Hinduja Energy (India) Limited & Gro Digital Platforms Limited) | -                                | -                | -                        | 1,400<br>(50)            | -          |

Figures in bracket represent previous year figures.



**HINDUJA LEYLAND FINANCE LIMITED**  
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| Nature of transaction   | Holding company<br>(ALL) | Associate<br>(HSL) | Fellow subsidiary      | Joint<br>Venture | KMP                  |
|---|--------------------------|--------------------|------------------------|------------------|----------------------|
| Rental payments to Ashok Leyland Limited                                    | 0                        | -                  | -                      | -                | -                    |
|   | (1)                      | -                  | -                      | -                | -                    |
| Reimbursement of expenses incurred on behalf of the related party           | 48                       | -                  | -                      | 8                | -                    |
|   | (52)                     | -                  | -                      | (114)            | -                    |
| Interest income   |                          |                    |                        |                  |                      |
| - Gro Digital Platforms Limited   | -                        | -                  | -                      | 34               | -                    |
|   |                          |                    |                        | (0)              |                      |
| Purchase of services:   |                          |                    |                        |                  |                      |
| a. Service provider fee   | -                        | 17,247             | -                      | -                | -                    |
|   | -                        | (15,175)           | -                      | -                | -                    |
| b. Sourcing / marketing expenses  | -                        | -                  | -                      | 18               | -                    |
|   | -                        | -                  | -                      | -                | -                    |
| Income from other services  | 48.00                    | 84                 | -                      | #                | -                    |
|   | (80.00)                  | -                  | -                      | -                | -                    |
| Number of equity shares allotted on exercise of options - Mr. Sachin pillai | -                        | -                  | -                      | -                | 2,55,833<br>(15,000) |
| Salaries and allowances   |                          |                    |                        |                  |                      |
| - Mr. S. Nagarajan  | -                        | -                  | -                      | -                | 466                  |
|   | -                        | -                  | -                      | -                | (431)                |
| - Mr. Sachin Pillai   | -                        | -                  | -                      | -                | 399                  |
|   | -                        | -                  | -                      | -                | (369)                |
| - Mr. Kishore Kumar Lodha   | -                        | -                  | -                      | -                | 103                  |
|   | -                        | -                  | -                      | -                | (140)                |
| - Mr. Vikas Jain  | -                        | -                  | -                      | -                | 55                   |
|   | -                        | -                  | -                      | -                | -                    |
| - Mr. B Shanmugasundaram  | -                        | -                  | -                      | -                | 58                   |
|   | -                        | -                  | -                      | -                | (53)                 |
| Sitting fees and Comission  |                          |                    |                        |                  |                      |
| - Mr. Dheeraj G Hinduja   | -                        | -                  | -                      | -                | 16                   |
|   | -                        | -                  | -                      | -                | (66)                 |
| - Mr. Gopal Mahadevan   | -                        | -                  | -                      | -                | 26                   |
|   | -                        | -                  | -                      | -                | (32)                 |
| - Mr. Sudhanshu Tripathi  | -                        | -                  | -                      | -                | 19                   |
|   | -                        | -                  | -                      | -                | (27)                 |
| - Mr. G S Sundararajan  | -                        | -                  | -                      | -                | 31                   |
|   | -                        | -                  | -                      | -                | (35)                 |
| - Mr. R S Sharma  | -                        | -                  | -                      | -                | 25                   |
|   | -                        | -                  | -                      | -                | (32)                 |
| - Ms. Manju Agarwal   | -                        | -                  | -                      | -                | 22                   |
|   | -                        | -                  | -                      | -                | (31)                 |
| - Mr. Debabrata Sarkar  | -                        | -                  | -                      | -                | 25                   |
|   | -                        | -                  | -                      | -                | (32)                 |
| - Mr. Jean Brunol   | -                        | -                  | -                      | -                | 16                   |
|   | -                        | -                  | -                      | -                | (1)                  |
| - Prof. Dr. Andreas H Biagosch  | -                        | -                  | -                      | -                | -                    |
|   | -                        | -                  | -                      | -                | (11)                 |
| - Ms. Bhumika Batra   | -                        | -                  | -                      | -                | 27                   |
|   | -                        | -                  | -                      | -                | (30)                 |
| - Mr. Srinivas Acharya  | -                        | -                  | -                      | -                | 8                    |
|   | -                        | -                  | -                      | -                | (2)                  |
| - Dr.Mandeep Maitra   | -                        | -                  | -                      | -                | 2                    |
|   | -                        | -                  | -                      | -                | -                    |
| <b>Year end balances</b>  |                          |                    |                        |                  |                      |
| Particulars   | As at<br>31 March 2023   |                    | As at<br>31 March 2022 |                  |                      |
| <b>Investment in related parties</b>  |                          |                    |                        |                  |                      |
| - Gro Digital Platforms Limited   | 1,000                    |                    | 1,000                  |                  |                      |
| - HLF Services Limited  | 2                        |                    | 2                      |                  |                      |

There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.  
The transactions disclosed above are exclusive of GST.

The Group enters into transactions, arrangements and agreements involving directors, senior management and their business associates, or close family members, in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

Long/Post term service benefits are made for the Group as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are all included above.



**HINDUJA LEYLAND FINANCE LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2023**

**INR In Lakh**

**39 Maturity Analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/ or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR.

| Particulars   | As at 31 March 2023 |                  |                  | As at 31 March 2022 |                  |                  |
|---|---------------------|------------------|------------------|---------------------|------------------|------------------|
|   | Within 12 Months    | After 12 Months  | Total            | Within 12 Months    | After 12 Months  | Total            |
| <b>Assets</b>   |                     |                  |                  |                     |                  |                  |
| Cash and cash equivalents   | 1,04,677            | -                | 1,04,677         | 81,070              | -                | 81,070           |
| Bank Balance other than cash and cash equivalents   | 22,068              | -                | 22,068           | 3,959               | -                | 3,959            |
| Loans   | 8,61,925            | 19,79,635        | 28,41,560        | 7,14,507            | 14,62,247        | 21,76,754        |
| Investments*  | 73,919              | 1,09,052         | 1,82,971         | 27,017              | 92,114           | 1,19,131         |
| Other financial assets  | 21,233              | 40,077           | 61,310           | 19,330              | 20,098           | 39,428           |
| Current tax assets (net)  | 6,522               | 273              | 6,795            | 9,426               | -                | 9,426            |
| Property, Plant and Equipment   | -                   | 10,334           | 10,334           | -                   | 8,356            | 8,356            |
| Capital work-in-progress  | -                   | 381              | 381              | -                   | 44               | 44               |
| Other Intangible assets   | -                   | 125              | 125              | -                   | 69               | 69               |
| Right of use assets   | -                   | 4,988            | 4,988            | -                   | 3,594            | 3,594            |
| Other non-financial assets  | 6,713               | 16               | 6,729            | 5,775               | -                | 5,775            |
| <b>Total Assets</b>   | <b>10,97,057</b>    | <b>21,44,881</b> | <b>32,41,938</b> | <b>8,61,084</b>     | <b>15,86,522</b> | <b>24,47,606</b> |
| <b>Liabilities</b>  |                     |                  |                  |                     |                  |                  |
| Other payables  | -                   | -                | -                | -                   | -                | -                |
| (i) Total outstanding dues of micro enterprises and small enterprises                       | -                   | -                | -                | -                   | -                | -                |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 3,256               | -                | 3,256            | 3,408               | -                | 3,408            |
| Debt Securities   | 87,940              | 7,977            | 95,917           | 44,965              | 87,851           | 1,32,816         |
| Borrowings (other than debt securities)   | 7,89,569            | 16,03,721        | 23,93,290        | 6,33,367            | 10,67,290        | 17,00,657        |
| Subordinated liabilities  | 12,484              | 91,845           | 1,04,329         | 18,000              | 1,04,141         | 1,22,141         |
| Other financial liabilities   | 50,860              | 11,639           | 62,500           | 50,070              | 9,603            | 59,673           |
| Provisions  | 112                 | 259              | 371              | 48                  | 329              | 377              |
| Deferred tax liabilities (net)  | -                   | 21,351           | 21,351           | -                   | 17,080           | 17,080           |
| Other non-financial liabilities   | 1,073               | -                | 1,073            | 1,166               | -                | 1,166            |
| <b>Total Liabilities</b>  | <b>9,45,294</b>     | <b>17,36,792</b> | <b>26,82,087</b> | <b>7,51,025</b>     | <b>12,86,295</b> | <b>20,37,318</b> |
| <b>Net</b>  | <b>1,51,763</b>     | <b>4,08,089</b>  | <b>5,59,851</b>  | <b>1,10,059</b>     | <b>3,00,227</b>  | <b>4,10,288</b>  |

\* including equity accounted investee





## HINDUJA LEYLAND FINANCE LIMITED

### Notes to Consolidated financial statements for the year ended 31 March 2023

INR In Lakh

#### 40 Leases

The Group has adopted Ind AS 116 “Leases” and applied the standard to all outstanding lease contracts using modified retrospective method. The Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use assets at an amount equal to the lease liability discounted at the incremental borrowing rate at the date of initial application.

**The following is the summary of practical expedients elected on initial application:**

- (a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- (b) Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- (c) Excluded the initial direct costs from the measurement of the right to use asset at the date of initial application.

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2023:

| Category of ROU Asset  | Gross Block        |                 |                     | Accumulated Depreciation |                    |                     | Net Block           |
|------------------------|--------------------|-----------------|---------------------|--------------------------|--------------------|---------------------|---------------------|
|                        | As at 1 April 2022 | Additions (net) | As at 31 March 2023 | As at 1 April 2022       | Depreciation (net) | As at 31 March 2023 | As at 31 March 2023 |
| Office Premises & Yard | 6,214              | 1,180           | 7,394               | 2,620                    | (214)              | 2,406               | 4,988               |

| Category of ROU Asset | Gross Block        |                 |                     | Accumulated Depreciation |                    |                     | Net Block           |
|-----------------------|--------------------|-----------------|---------------------|--------------------------|--------------------|---------------------|---------------------|
|                       | As at 1 April 2021 | Additions (net) | As at 31 March 2022 | As at 1 April 2021       | Depreciation (net) | As at 31 March 2022 | As at 31 March 2022 |
| Office Premises       | 4,258              | 1,956           | 6,214               | 1,626                    | 993                | 2,620               | 3,594               |

The aggregate depreciation expenses on ROU assets is included under depreciation and amortization expenses in the Statement of Profit and Loss.

**Table showing contractual cash maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:**

| Particulars                                 | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| Within one year                             | 1,602               | 1,261               |
| After one year but not more than five years | 4,322               | 3,074               |
| More than five years                        | 847                 | 796                 |
| <b>Total</b>                                | <b>6,771</b>        | <b>5,131</b>        |

The company has taken office premises on lease. These leases are generally renewed on mutual consent and at prevailing market rate. Short term leases are recognised as an expense on a straight line basis over the lease term.

| Particulars  | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|--------------------------|--------------------------|
| Expense relating to short-term leases  | 384                      | 443                      |
| Expense relating to leases of low-value assets   | -                        | -                        |
| Expense relating to variable lease payments not included in the measurement of lease liabilities | -                        | -                        |
| Income from subleasing right-of-use assets   | -                        | -                        |
| Total cash outflow for leases  | 1,503                    | 1,416                    |
| Gains or Losses arising from sale and leaseback transactions                                     | -                        | -                        |

The Group does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



## HINDUJA LEYLAND FINANCE LIMITED

### Notes to Consolidated financial statements for the year ended 31 March 2023

#### 40 Leases (continued)

The Group has taken vehicles on finance lease for a period of 48 months. the Group's obligation under finance lease is secured by the minimum lease rentals outstanding as at the year end as under (Benz car):

| Particulars                                    | INR In Lakh            |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Within one year                                | -                      | 20                     |
| After one year but not more than five years    | -                      | -                      |
| More than five years                           | -                      | -                      |
| <b>Total</b>                                   | -                      | 20                     |
| Less : Future finance charges                  | -                      | 1                      |
| <b>Present value of minimum lease payments</b> | -                      | 19                     |
| <b>Total</b>                                   | -                      | 20                     |

#### Lease liabilities

| Particulars                          | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------------------------|------------------------|------------------------|
| Balance at the beginning             | 3,923                  | 2,764                  |
| Additions                            | 1,466                  | 1,309                  |
| Finance cost accrued during the year | 437                    | 528                    |
| Deletions                            | 919                    | 738                    |
| Payments of lease liabilities        | (1,503)                | (1,416)                |
| Balance at the end                   | 5,242                  | 3,923                  |

#### 41 Corporate social responsibility ("CSR") expenditure

| Particulars   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| (a) Gross amount required to be spent by the Group during the year as per Section 135 of the Companies Act, 2013 read with schedule VII | 907                         | 913                         |
| (b) Amount spent during the year on:  |                             |                             |
| (i) Construction/acquisition of any asset   | -                           | -                           |
| (ii) On purposes other than (i) above   | 333                         | 303                         |
| (c) Shortfall at the end of the year  | 574                         | 610                         |
| (d) Total of previous years shortfall   | 867                         | 675                         |

The Group has unspent CSR provision of ₹ 867 lakh as on March 31, 2023 which has been deposited subsequently in April 2023 in a separate bank account. The Group is in process of utilizing against the approved projects.

Nature of CSR activities are promotion of Education, Environmental sustainability, Eradicating hunger, poverty, malnutrition and preventive health care etc..

#### 42 Expenditure in foreign currency

| Particulars                    | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--------------------------------|-----------------------------|-----------------------------|
| Legal and professional charges | 32                          | 26                          |



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to Consolidated financial statements for the year ended 31 March 2023

INR In Lakh

**43 Financial instrument**

**A Fair value measurement**

*Valuation principles*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions i.e, exit price. This is regardless of whether that price is directly observable or estimated using a valuation technique.

*Financial instruments by category*

| Particulars                | Carrying amount | Fair value |         |           |           |
|----------------------------|-----------------|------------|---------|-----------|-----------|
|                            |                 | Level 1    | Level 2 | Level 3   | Total     |
| <b>As at 31 March 2023</b> |                 |            |         |           |           |
| Loans                      | 14,04,881       | -          | -       | 14,91,487 | 14,91,487 |
| <b>As at 31 March 2022</b> |                 |            |         |           |           |
| Loans                      | 9,48,654        | -          | -       | 10,22,791 | 10,22,791 |

The Group does not have any financial assets measured at fair value as on 31 March 2023 and 31 March 2022.

*Reconciliation of level 3 fair value measurement is as follows*

| Loans   | Year ended    |               |
|---|---------------|---------------|
|   | 31 March 2023 | 31 March 2022 |
| <i>Loans, measured at FVOCI</i>                                     |               |               |
| Balance at the beginning of the year                                | 74,138        | 93,294        |
| Total gains measured through OCI for additions made during the year | 12,468        | (19,156)      |
| <b>Balance at the end of the year</b>                               | <b>86,606</b> | <b>74,138</b> |

*Sensitivity analysis*

| 31 March 2023                | Equity, net of tax |          |
|------------------------------|--------------------|----------|
|                              | Increase           | Decrease |
| Loans                        |                    |          |
| Interest rates (1% movement) | 28,609             | 29,703   |

The carrying value and fair value of financial instruments measured at fair value as of 31 March 2023 were as follows:

| Particulars                     | Carrying amount | Fair value (FVPTL) |         |         |        |
|---------------------------------|-----------------|--------------------|---------|---------|--------|
|                                 |                 | Level 1            | Level 2 | Level 3 | Total  |
| <b>As at 31 March 2023</b>      |                 |                    |         |         |        |
| Investment in listed shares     | 3,673           | 3,673              | -       | -       | 3,673  |
| Investment in mutual fund       | 39,998          | 39,998             | -       | -       | 39,998 |
| Investment in fund              | 17,712          | -                  | -       | 17,712  | 17,712 |
| Investment in security receipts | 77,909          | -                  | -       | 77,909  | 77,909 |
| <b>As at 31 March 2022</b>      |                 |                    |         |         |        |
| Investment in listed shares     | 3,002           | 3,002              | -       | -       | 3,002  |
| Investment in fund              | 23,206          | -                  | -       | 23,206  | 23,206 |
| Investment in security receipts | 61,548          | -                  | -       | 61,548  | 61,548 |

The carrying value and fair value of other financial instruments by categories as of March 31, 2023 were as follows:

| Particulars  | Carrying amount  | Fair value |         |           |           |
|--|------------------|------------|---------|-----------|-----------|
|  | Amortised cost   | Level 1    | Level 2 | Level 3   | Total     |
| <b>Financial assets not measured at fair value:</b>      |                  |            |         |           |           |
| Loans  | 14,23,040        | -          | -       | 14,73,281 | 14,73,281 |
| Investments  | 42,493           | -          | -       | 42,493    | 42,493    |
| <b>Total</b>   | <b>14,65,533</b> |            |         |           |           |
| <b>Financial liabilities not measured at fair value:</b> |                  |            |         |           |           |
| Debt securities  | 95,917           | 95,917     | -       | -         | 95,917    |
| Borrowings (other than debt securities)                  | 23,93,290        | -          | -       | 23,93,290 | 23,93,290 |
| Subordinated liabilities                                 | 1,04,329         | 96,836     | 7,493   | -         | 1,04,329  |
| <b>Total</b>   | <b>25,93,536</b> |            |         |           |           |



**HINDUJA LEYLAND FINANCE LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2023**

INR In Lakh

**43 Financial instrument (continued)**

The carrying value and fair value of financial instruments by categories as of 31 March 2022 were as follows:

| Particulars                             | Carrying amount  | Fair value |         |           |           |
|---|------------------|------------|---------|-----------|-----------|
|   | Amortised cost   | Level 1    | Level 2 | Level 3   | Total     |
| <b>Assets:</b>                          |                  |            |         |           |           |
| Loans                                   | 12,37,796        | -          | -       | 13,05,118 | 13,05,118 |
| Investments                             | 29,876           | -          | -       | 29,876    | 29,876    |
| <b>Total</b>                            | <b>12,67,672</b> |            |         |           |           |
| <b>Liabilities:</b>                     |                  |            |         |           |           |
| Debt securities                         | 1,32,816         | 1,32,816   | -       | -         | 1,32,816  |
| Borrowings (other than debt securities) | 17,00,657        | -          | -       | 17,00,657 | 17,00,657 |
| Subordinated liabilities                | 1,22,141         | 1,14,655   | 7,486   | -         | 1,22,141  |
| <b>Total</b>                            | <b>19,55,614</b> |            |         |           |           |

**B Measurement of fair values**

**Valuation methodologies of financial instruments not measured at fair value**

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only.

**Short-term financial assets and liabilities**

The Group has not disclosed the fair values for financial instruments which are short term in nature because their carrying amounts are a reasonable approximation of fair value.

**Borrowings**

The debt securities, borrowings and subordinated liabilities are primarily variable rate instruments. Accordingly, the fair value has been assumed to be equal to the carrying amount.

**Loans, Dealer trade advances and other receivables**

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk, probability of default and loss given default estimates.

**Investments**

The fair values financial of held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

**Transfers between levels I and II**

There has been no transfer in between level I and level II.

**C Capital management**

The Group maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI). The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI.

The primary objectives of the Group's capital management policy are to ensure that The Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, The Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.



**HINDUJA LEYLAND FINANCE LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2023**

**INR In Lakh**

**44 Financial risk management objectives and policies**

The Group's principal financial liabilities comprise borrowings from banks and debentures. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk and market risk. The Group's board of directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee and asset liability committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's risk management committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and loans

The carrying amounts of financial assets represent the maximum credit risk exposure.

**A. Loans and advances**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Board has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

The Group's exposure to credit risk for loans and advances by type of counterparty is as follows. All these exposures are with in India.

| Particulars                      | As at<br>31 March<br>2023 | As at<br>31 March<br>2022 |
|----------------------------------|---------------------------|---------------------------|
| Retail Loans                     | 27,10,494                 | 21,08,343                 |
| Term Loans                       | 1,86,414                  | 1,27,788                  |
| Repossessioned loans             | 17,619                    | 24,456                    |
|                                  | <b>29,14,527</b>          | <b>22,60,587</b>          |
| Less : Impairment loss allowance | (72,967)                  | (83,833)                  |
|                                  | <b>28,41,560</b>          | <b>21,76,754</b>          |

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - financial instruments.

**Staging:**

As per the provision of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument. It excludes the financial instruments - Investment in PTC and SRs.

As per Ind AS 109, Group assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Group has staged the assets based on the Day past dues criteria and other market factors which significantly impacts the portfolio.

**Holding Company**

| Days past dues<br>status | Stage   | Provisions          |
|--------------------------|---------|---------------------|
| Current                  | Stage 1 | 12 Months Provision |
| 1-30 Days                | Stage 1 | 12 Months Provision |
| 31-90 Days               | Stage 2 | Lifetime Provision  |
| 90+ Days                 | Stage 3 | Lifetime Provision  |



**HINDUJA LEYLAND FINANCE LIMITED**  
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INR In Lakh

**Subsidiary Group**

| Days past dues status | Stage   | Provisions          |
|-----------------------|---------|---------------------|
| Current               | Stage 1 | 12 Months Provision |
| 1-30 Days             | Stage 1 | 12 Months Provision |
| 31-60 Days            | Stage 2 | Lifetime Provision  |
| 61-90 Days            | Stage 2 | Lifetime Provision  |
| 90+ Days              | Stage 3 | Lifetime Provision  |

**44 Financial risk management objectives and policies**

**Grouping**

As per Ind AS 109, Group is required to group the portfolio based on the shared risk characteristics. Group has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

- Commercial vehicle loans (ICV, LCV, MCV, MUV, Buses)
- Heavy commercial vehicles
- Small commercial vehicles
- Two wheeler loan
- Tipper
- Tractor
- Car
- Construction equipments
- Three wheeler loan
- Housing Loan
- Loan against property
- Investments
- Term Loans

**Expected credit loss ("ECL"):**

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

- a. Marginal probability of default ("MPD")
- b. Loss given default ("LGD")
- c. Exposure at default ("EAD")
- d. Discount factor ("D")

**Probability of default:**

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from the internal data which is calibrated with forward looking macroeconomic factors.

The Group has made overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The probability of default has been stressed depending on the type of portfolio, credit risk and likely consequential default due to pandemic. The impact on collateral values is also stressed for determination of loss given default wherever necessary as appropriate.

For computation of probability of default ("PD"), Through the Cycle (TTC), PD was calculated based on average of Observed Default Rates (ODRs) using transition matrix approach. This is based on the delinquency status of accounts tracked at a time horizon of one year, the yearly migration of borrowers in each DPD Bucket to default. (NPA or greater than 90 DPD). The model rolls this behavior forward until all receivables are either paid or written off or closed. The output of the model is the probability of an account in each state rolling to Closure stated as a %.

The transition matrix was calculated for each historical year and TTC PD was calculated as average of ODR. The PDs for each bucket was calibrated to form an exponential PD curve.

As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated.

The probability of default was calculated for 3 scenarios: upside (10%), downside (10%) and base (80%). This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

**LGD:**

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods. Various approaches are available to compute the LGD. The Group has considered the workout LGD approach by considering historical losses and recoveries. The following steps are performed to calculate the LGD:

- 1) Analysis of historical credit impaired accounts at cohort level.
- 2) The computation consists of five components, which are:
  - a) Outstanding balance (POS)
  - b) Recovery amount (discounted yearly) by initial contractual rate.
  - c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.
  - d) Collateral (security) amount
  - e) Foreclosure cases

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)

% LGD = 1 – recovery rate



**HINDUJA LEYLAND FINANCE LIMITED**  
Notes to Consolidated financial statements for the year ended 31 March 2023

INR In Lakh

**EAD:**

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. the Group has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments.

Group has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. So discounting was done for computation of expected credit loss.

**Discounting:**

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

**ECL computation:**

Conditional ECL at DPD pool level was computed with the following method:

Conditional ECL for year (yt) = EAD (yt) \* conditional PD (yt) \* LGD (yt) \* discount factor (yt)

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities.

| Stage  | Provisions          | As at<br>31 March<br>2023 | As at<br>31 March<br>2022 |
|--|---------------------|---------------------------|---------------------------|
| Stage 1  | 12 month provision  | 0.14%                     | 0.15%                     |
| Stage 2  | Life time provision | 5.80%                     | 3.86%                     |
| Stage 3  | Life time provision | 39.51%                    | 41.38%                    |
| <b>Amount of expected credit loss provided for</b> |                     | <b>72,967</b>             | <b>83,833</b>             |

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between

**44 Financial risk management objectives and policies**

**Analysis of changes in the gross carrying amount and the corresponding ECL allowances:**

| Particulars                                  | As at 31 March 2023 |                 |                 |                  | As at 31 March 2022 |                 |                 |                  |
|--|---------------------|-----------------|-----------------|------------------|---------------------|-----------------|-----------------|------------------|
|  | Stage 1             | Stage 2         | Stage 3         | Total            | Stage 1             | Stage 2         | Stage 3         | Total            |
| <b>Gross carrying amount opening balance</b> | 15,69,396           | 5,47,110        | 1,44,081        | 22,60,587        | 17,37,676           | 3,97,291        | 1,47,790        | 22,82,757        |
| Assets derecognised or repaid                | (6,87,967)          | (2,58,413)      | (1,12,245)      | (10,58,625)      | (5,55,724)          | (59,629)        | (1,04,008)      | (7,19,361)       |
| Transfers from Stage 1 **                    | (2,52,693)          | 1,54,002        | 52,670          | (46,021)         | (3,97,582)          | 3,14,467        | 48,320          | (34,796)         |
| Transfers from Stage 2 **                    | 1,35,201            | (2,06,783)      | 70,012          | (1,570)          | 1,03,147            | (1,85,105)      | 81,077          | (881)            |
| Transfers from Stage 3 **                    | 3,778               | 1,130           | (3,940)         | 968              | 518                 | 1,448           | (1,195)         | 771              |
| Amounts written off                          | -                   | -               | (23,991)        | (23,991)         | -                   | -               | (29,901)        | (29,901)         |
| New assets originated*                       | 17,24,366           | 55,424          | 3,389           | 17,83,179        | 6,81,361            | 78,638          | 1,998           | 7,61,997         |
| <b>Gross carrying amount closing balance</b> | <b>24,92,081</b>    | <b>2,92,470</b> | <b>1,29,977</b> | <b>29,14,527</b> | <b>15,69,396</b>    | <b>5,47,110</b> | <b>1,44,081</b> | <b>22,60,587</b> |

\* New assets originated are those assets which have originated during the year.

\*\* Represents the balance outstanding as at beginning of the year, net of repayments made during the year, if any. The repayments are forming part of "Assets derecognised or repaid".

**Reconciliation of ECL balance is given below:**

| Particulars  | As at 31 March 2023 |               |               |               | As at 31 March 2022 |               |               |               |
|--|---------------------|---------------|---------------|---------------|---------------------|---------------|---------------|---------------|
|  | Stage 1             | Stage 2       | Stage 3       | Total         | Stage 1             | Stage 2       | Stage 3       | Total         |
| <b>ECL allowance - opening balance</b>                       | 2,496               | 30,274        | 51,062        | 83,832        | 4,427               | 9,080         | 71,330        | 84,837        |
| Assets derecognised or repaid (excluding write offs)         | (195)               | (1,699)       | (8,483)       | (10,377)      | (327)               | (300)         | (10,555)      | (11,182)      |
| Transfers from Stage 1                                       | (1,052)             | (4,489)       | 7,374         | 1,833         | (2,808)             | 8,759         | 6,758         | 12,709        |
| Transfers from Stage 2                                       | 234                 | (1,260)       | 18,407        | 17,380        | 552                 | (4,404)       | 11,836        | 7,985         |
| Transfers from Stage 3                                       | (35)                | (2,017)       | (1,230)       | (3,282)       | 10                  | 25            | 1,140         | 1,175         |
| New assets originated and incremental charge during the year | 2,871               | 3,198         | 1,503         | 7,572         | 642                 | 3,072         | 455           | 4,169         |
| Write offs during the year                                   | -                   | -             | (23,991)      | (23,991)      | -                   | -             | (29,901)      | (29,901)      |
| Restructured assets  | -                   | -             | -             | -             | -                   | 14,042        | -             | 14,042        |
| Transfer to OCI  | -                   | -             | -             | -             | -                   | -             | -             | -             |
| <b>Closing provision of ECL</b>                              | <b>4,319</b>        | <b>24,007</b> | <b>44,640</b> | <b>72,967</b> | <b>2,496</b>        | <b>30,274</b> | <b>51,062</b> | <b>83,833</b> |

**Collateral and other credit enhancements**

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are, vehicles, loan portfolios and mortgaged properties based on the nature of loans. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. The Group advances loan to maximum extent of 70% of the value of the mortgaged properties and 100% in case of vehicles respectively.

The Group also physically reposses commercial vehicles for the recovery of loans. These balances are also disclosed in loan to customers as such repossessed assets are disposed.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of the aforesaid balances.



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**INR In Lakh**

**(ii) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Group is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Group manages its liquidity by unutilised cash credit facility, term loans and direct assignment and market instruments.

The composition of the Group's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit along with overdraft limit available to the Group is INR 1,57,800 lakhs spread across 21 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

The Group's portfolio is loans which qualifies as Priority Sector Lending. The Group has also made sales through direct assignment route (off book) approximately 10% to 25% of assets under management. This further strengthens the liability management.

The table below summarises the maturity profile of the Group's non derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

| As at 31 March 2023                                | Contractual cash flows |                  |                  |                 |                   |
|--|------------------------|------------------|------------------|-----------------|-------------------|
|  | Carrying amount        | 0-1 year         | 1-3 years        | 3-5 years       | More than 5 years |
| <b>Financial liabilities</b>                       |                        |                  |                  |                 |                   |
| Trade Payables                                     | 3,256                  | 3,256            | -                | -               | -                 |
| Borrowings (other than debt securities)            | 23,93,290              | 7,89,569         | 10,37,736        | 4,76,438        | 89,546            |
| Debt Securities                                    | 95,917                 | 87,940           | 7,977            | -               | -                 |
| Subordinated liabilities                           | 1,04,329               | 12,484           | 54,876           | 32,058          | 4,911             |
| Other financial liabilities                        | 62,500                 | 50,860           | 11,640           | -               | -                 |
| <b>Total</b>                                       | <b>26,59,292</b>       | <b>9,44,109</b>  | <b>11,12,229</b> | <b>5,08,496</b> | <b>94,457</b>     |
| <b>Financial assets</b>                            |                        |                  |                  |                 |                   |
| Cash and Cash Equivalents                          | 1,04,677               | 1,04,677         | -                | -               | -                 |
| Bank balances other than cash and cash equivalents | 22,068                 | 22,068           | -                | -               | -                 |
| Loans  | 28,41,560              | 8,61,925         | 8,39,016         | 4,26,656        | 7,13,963          |
| Investments  | 1,82,971               | 29,827           | 15,270           | 10,014          | 1,27,860          |
| Other financial assets                             | 61,310                 | 21,070           | 36,491           | 1,970           | 1,779             |
| <b>Total</b>                                       | <b>32,12,586</b>       | <b>10,39,567</b> | <b>8,90,777</b>  | <b>4,38,640</b> | <b>8,43,602</b>   |

| As at 31 March 2022                                | Contractual cash flows |                 |                 |                 |                   |
|--|------------------------|-----------------|-----------------|-----------------|-------------------|
|  | Carrying amount        | 0-1 year        | 1-3 years       | 3-5 years       | More than 5 years |
| <b>Financial liabilities</b>                       |                        |                 |                 |                 |                   |
| Trade Payables                                     | 3,408                  | 3,408           | -               | -               | -                 |
| Borrowings (other than debt securities)            | 17,00,657              | 6,33,367        | 7,39,561        | 2,65,683        | 62,046            |
| Debt Securities                                    | 1,32,816               | 44,965          | 87,851          | -               | -                 |
| Subordinated liabilities                           | 1,22,141               | 18,000          | 67,286          | 31,957          | 4,898             |
| Other financial liabilities                        | 59,673                 | 50,070          | 9,603           | -               | -                 |
| <b>Total</b>                                       | <b>20,18,695</b>       | <b>7,49,810</b> | <b>9,04,301</b> | <b>2,97,640</b> | <b>66,944</b>     |
| <b>Financial assets</b>                            |                        |                 |                 |                 |                   |
| Cash and Cash Equivalents                          | 81,070                 | 81,070          | -               | -               | -                 |
| Bank balances other than cash and cash equivalents | 3,959                  | 3,959           | -               | -               | -                 |
| Loans  | 21,76,754              | 7,14,507        | 7,83,801        | 3,16,686        | 3,61,760          |
| Investments  | 1,19,131               | 27,017          | 9,598           | 13,144          | 69,372            |
| Other financial assets                             | 39,428                 | 19,330          | 18,128          | 935             | 1,035             |
| <b>Total</b>                                       | <b>24,20,342</b>       | <b>8,45,883</b> | <b>8,11,527</b> | <b>3,30,765</b> | <b>4,32,167</b>   |

**(iii) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**(iv) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investment in bank deposits and variable interest rate lending. Whenever there is a change in borrowing interest rate for the Group, necessary change is reflected in the lending interest rates over the timeline in order to mitigate the risk of change in interest rates of borrowings.

**Fair value sensitivity analysis for Floating-rate instruments**

Loans extended by the Group are fixed and floating rate loans.

The sensitivity analysis have been carried out based on the exposure to interest rates for bank deposits, lending and borrowings carried at variable rate.

| Particulars                       | Year ended 31 March 2023 |          | Year ended 31 March 2022 |          |
|-----------------------------------|--------------------------|----------|--------------------------|----------|
|                                   | increase                 | decrease | increase                 | decrease |
| Change in interest rates (25 bps) |                          |          |                          |          |
| Impact on profit for the year     | (7,468)                  | 7,468    | (5,215)                  | 5,215    |





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**45 Unhedged foreign currency exposure:**

The Group has a process and procedure for managing currency induced credit risk. The Group enters into forward exchange contracts, forward rate agreements, coupon only swaps and interest rate swaps to mitigate interest rate risk on its borrowings, as hedging instruments. The Group undertakes such transactions for hedging its balance sheet. The total borrowing covered under hedged exposure is Nil lakhs and unhedged exposure to borrowing is Nil as on March 31, 2023.

**46** There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

**47** Hinduja Leyland Finance Limited (HLF) has made an application to BSE Limited (Stock Exchange) for the proposed Merger with Nxtdigital Limited on 25 November 2022 and the said application is under process. HLF is also in the process of filing application to Competition Commission of India (CCI) for the proposed merger and in this regard had a pre-filing consultation meetings with CCI during March / April 2023. Nxtdigital Limited (Transferee Company, whose name has been changed to NDL Ventures Limited w.e.f. 20 April 2023) has also submitted application to Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd (NSE) where its shares are listed and merger and they will be also filing application to CCI for the proposed merger. NDL Ventures Limited has also submitted application to RBI for registration as NBFC on 23 December 2022.

**48** The Group has registered all the charges with ROC within the statutory period.

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**49** RBI vide Circular dated 12 November 2021 and further clarified vide circular dated 15 February 2022. - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications" has clarified / harmonized certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The Group has complied with the said norms with effect from 01 October 2022.

**50** The Group hold immovable property and leases as on 31 March 2023 and 31 March 2022. All the title deeds for the immovable property are in the name of the Group and all the leases agreements are duly executed in favour of the Group for properties where the Group is the lessee.

The Group is not a declared wilful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.

**51** The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.

**52** No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (prohibition) Act 1988 and rules made thereunder, as at 31 March 2023 and 31 March 2022.

The Group has sanctioned facilities from banks on the basis of security of current assets. The quarterly returns filed by the Group with such banks are in agreement with the books of accounts of the Company.

The Group does not have any investment property and hence its related disclosure is not applicable.

As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation and impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

**53 Reporting under rule 11(e) and 11(f) of Companies (Audit and Auditors) Rules, 2014**

As a part of normal lending business, the Group grants loans and advances on the basis of security / guarantee provided by the borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.

a. No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(is) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Group (Ultimate Beneficiaries);

b. No funds have been received by the Group from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



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INR In Lakh

**54 Share of individual companies in the consolidated net assets and consolidated profit or loss**

**a Share in net assets i.e. total assets minus total liabilities as a % of consolidated net assets**

| Particulars   | As at 31 March 2023 |                 | As at 31 March 2022 |                 |
|---|---------------------|-----------------|---------------------|-----------------|
|   | %                   | Amount          | %                   | Amount          |
| <b>Parent</b>   |                     |                 |                     |                 |
| Hinduja Leyland Finance Limited                         | 83.42%              | 4,67,039        | 86.50%              | 3,54,909        |
| <b>Subsidiary</b>                                       |                     |                 |                     |                 |
| Hinduja Housing Finance Limited                         | 16.36%              | 91,611          | 13.11%              | 53,777          |
| <b>Subsidiary</b>                                       |                     |                 |                     |                 |
| Hinduja Insurance Broking and Advisory Services Limited | 0.00%               | -               | 0.02%               | 98              |
| <b>Subsidiary</b>                                       |                     |                 |                     |                 |
| Gaadi Mandi Digital Platforms Limited                   | 0.00%               | 13              | 0.00%               | -               |
| <b>Associate</b>  |                     |                 |                     |                 |
| HLF Services Limited                                    | 0.12%               | 666             | 0.12%               | 506             |
| <b>Joint venture</b>                                    |                     |                 |                     |                 |
| Gro Digital Platforms Limited                           | 0.09%               | 522             | 0.24%               | 998             |
| <b>Total</b>  | <b>100%</b>         | <b>5,59,851</b> | <b>100%</b>         | <b>4,10,288</b> |

**b Share in profit or loss as a % of consolidated net profit**

| Particulars   | Year ended 31 March 2023 |               | Year ended 31 March 2022 |               |
|---|--------------------------|---------------|--------------------------|---------------|
|   | %                        | Amount        | %                        | Amount        |
| <b>Parent</b>   |                          |               |                          |               |
| Hinduja Leyland Finance Limited                         | 56.49%                   | 27,682        | 68.10%                   | 23,215        |
| <b>Subsidiary</b>                                       |                          |               |                          |               |
| Hinduja Housing Finance Limited                         | 44.25%                   | 21,680        | 31.56%                   | 10,757        |
| <b>Subsidiary</b>                                       |                          |               |                          |               |
| Hinduja Insurance Broking and Advisory Services Limited | 0.00%                    | -             | 0.00%                    | -1            |
| <b>Subsidiary</b>                                       |                          |               |                          |               |
| Gaadi Mandi Digital Platforms Limited                   | 0.00%                    | (2)           | 0.00%                    | 0             |
| <b>Associate</b>  |                          |               |                          |               |
| HLF Services Limited                                    | 0.22%                    | 107           | 0.35%                    | 120           |
| <b>Joint venture</b>                                    |                          |               |                          |               |
| Gro Digital Platforms Limited                           | -0.96%                   | (468)         | -0.01%                   | -2            |
| <b>Total</b>  | <b>100%</b>              | <b>48,999</b> | <b>100%</b>              | <b>34,089</b> |

**c Share in Other comprehensive income as a % of consolidated other comprehensive income**

| Particulars                           | Year ended 31 March 2023 |              | Year ended 31 March 2022 |                |
|---------------------------------------|--------------------------|--------------|--------------------------|----------------|
|                                       | %                        | Amount       | %                        | Amount         |
| <b>Parent</b>                         |                          |              |                          |                |
| Hinduja Leyland Finance Limited       | 99.0%                    | 9,265        | 100.27%                  | -20,779        |
| <b>Subsidiary</b>                     |                          |              |                          |                |
| Hinduja Housing Finance Limited       | 0.5%                     | 46           | -0.13%                   | 27             |
| <b>Subsidiary</b>                     |                          |              |                          |                |
| Gaadi Mandi Digital Platforms Limited | 0.0%                     | -            | 0.00%                    | -              |
| <b>Associate</b>                      |                          |              |                          |                |
| HLF Services Limited                  | 0.6%                     | 54           | -0.14%                   | 28             |
| <b>Joint venture</b>                  |                          |              |                          |                |
| Gro Digital Platforms Limited         | 0.0%                     | (7)          | 0.00%                    | -              |
| <b>Total</b>                          | <b>100%</b>              | <b>9,358</b> | <b>100%</b>              | <b>-20,724</b> |

**d Share in Total comprehensive income as a % of consolidated total comprehensive income**

| Particulars   | Year ended 31 March 2023 |               | Year ended 31 March 2022 |               |
|---|--------------------------|---------------|--------------------------|---------------|
|   | %                        | Amount        | %                        | Amount        |
| <b>Parent</b>   |                          |               |                          |               |
| Hinduja Leyland Finance Limited                         | 63.3%                    | 36,946        | 18.2%                    | 2,436         |
| <b>Subsidiary</b>                                       |                          |               |                          |               |
| Hinduja Housing Finance Limited                         | 37.2%                    | 21,727        | 80.7%                    | 10,783        |
| <b>Subsidiary</b>                                       |                          |               |                          |               |
| Hinduja Insurance Broking and Advisory Services Limited | 0.0%                     | 0             | 0.0%                     | -1            |
| <b>Subsidiary</b>                                       |                          |               |                          |               |
| Gaadi Mandi Digital Platforms Limited                   | 0.0%                     | (2)           | 0.0%                     | (1)           |
| <b>Associate</b>  |                          |               |                          |               |
| HLF Services Limited                                    | 0.3%                     | 161           | 1.1%                     | 148           |
| <b>Joint venture</b>                                    |                          |               |                          |               |
| Gro Digital Platforms Limited                           | 0.0%                     | (475)         | 0.0%                     | (2)           |
| <b>Total</b>  | <b>100%</b>              | <b>58,357</b> | <b>100%</b>              | <b>13,365</b> |



**HINDUJA LEYLAND FINANCE LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2023**

**55 Subsequent events**

There are no significant subsequent events that have occurred after the reporting period till the date of these consolidated financial statements which either requires disclosures or adjustment to carrying value of asset and liability as at balance sheet date.

**56 Previous year figures**

Previous year figures have been restated / regrouped / re-classified wherever necessary in line with the consolidated financial statements for the year ended 31 March 2023.

As per our report of even date  
for **Walker Chandiok & Co LLP**  
Chartered Accountants

For and on behalf of the Board of Directors of  
**Hinduja Leyland Finance Limited**  
CIN : U65993MH2008PLC384221

**Rakesh Rathi**

Partner

for **Suresh Surana & Associates LLP**  
Chartered Accountants

**Dheeraj G Hinduja**

Chairman

DIN No : 00133410

**Sachin Pillai**

Managing Director & CEO

DIN No : 06400793

**P Shankar Raman**

Partner

Place : Chennai  
Date : 18 May 2023

**Vikas Jain**

Chief Financial Officer

**B Shanmugasundaram**

Group Secretary