HINDUJA LEYLAND FINANCE LIMITED
Consolidated Balance Sheet as at 31 March 2022

INR In Lakh

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	6	81,070	81,871
Bank balance other than cash and cash equivalents	7	3,959	5,585
Receivables			
(i) Trade receivables		-	-
(ii) Other receivables		-	-
Loans	8	21,76,754	21,97,920
Investments	9	1,19,131	81,951
Other financial assets	10	39,428	33,641
		24,20,342	**24,00,968**
Non-Financial Assets			
Current tax assets (net)		9,426	5,952
Property, plant and equipment	11	8,356	8,564
Capital work-in-progress		44	38
Other intangible assets	11A	69	74
Right of use assets	11B	3,594	2,632
Other non-financial assets	12	5,775	5,780
		27,264	**23,040**
Total assets		**24,47,606**	**24,24,008**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade payables	13		
(i) dues of micro enterprises and small enterprises		-	-
enterprises		3,408	1,987
Debt securities	14	1,32,816	1,25,432
Borrowings (other than debt securities)	15	17,00,657	16,86,955
Subordinated liabilities	16	1,22,141	1,27,814
Other financial liabilities	17	59,673	62,354
		20,18,695	**20,04,542**
Non-Financial Liabilities			
Provisions	18	377	540
Deferred tax liabilities (net)	32	17,080	21,430
Other non-financial liabilities	19	1,166	780
		18,623	**22,750**
EQUITY			
Equity share capital	20	46,989	46,978
Other equity	21	3,63,299	3,49,738
		4,10,288	**3,96,716**
Total Liabilities and Equity		**24,47,606**	**24,24,008**

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

As per our report of even date
for **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors of
Hinduja Leyland Finance Limited
CIN : U65993TN2008PLC069837

G.K.Subramaniam
Partner

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

P Shankar Raman
Partner

Place : Chennai
Date : 17 May 2022

Dheeraj G Hinduja
Chairman
DIN No : 00133410

S Nagarajan
Executive Vice Chairman
DIN No : 00009236

Sachin Pillai
Managing Director & CEO
DIN No : 06400793

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

HINDUJA LEYLAND FINANCE LIMITED
Guindy, Chennai - 32

HINDUJA LEYLAND FINANCE LIMITED

Consolidated Statement of Profit and Loss for the year ended 31 March 2022

INR In Lakh

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations			
Interest income	22	2,77,956	2,73,806
Fees and commission income	23	5,583	3,832
Net gain on fair value changes		(805)	3,542
Net gain on derecognition of financial instruments	24	24,436	20,081
Total revenue from operations		**3,07,170**	**3,01,261**
Other Income	25	2,625	4,069
Total revenue		**3,09,795**	**3,05,330**
Expenses			
Finance costs	26	1,53,411	1,56,551
Fees and commission expense	27	5,961	3,778
Impairment on financial instruments	28	74,743	75,287
Employee benefits expenses	29	18,555	16,838
Depreciation, amortization and impairment	30	1,706	1,964
Others expenses	31	10,655	7,688
Total expenses		**2,65,031**	**2,62,106**
Profit before share of profit of equity accounted investee and income tax		**44,764**	**43,224**
Share of profit of equity accounted investee (net of income tax)		118	90
Profit before tax		**44,882**	**43,314**
Tax expense:			
Current tax		8,092	12,617
Deferred tax	32	2,630	(2,018)
Tax pertaining to earlier years		71	(623)
		10,793	**9,976**
Net profit for the year		**34,089**	**33,338**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		144	(15)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(37)	6
(B) (i) Items that will be reclassified to profit or loss			
(i) Fair value (loss)/gain on financial assets carried at Fair Value Through Other Comprehensive Income (FVTOCI)		(27,837)	40,818
(ii) Income tax relating to items that will be reclassified to profit or loss		7,006	(10,274)
Total other comprehensive income		**(20,724)**	**30,535**
Total comprehensive income		**13,365**	**63,873**
Earnings per equity share (face value Rs.10 each)			
- Basic (in Rs.)	33	7.26	7.10
- Diluted (in Rs.)		7.25	7.09

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

As per our report of even date
for **Deloitte Haskins & Sells**
Chartered Accountants

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Partner

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Chartered Accountants

P Shankar Raman
Partner

Place : Chennai
Date : 17 May 2022

Dheeraj G Hinduja
Chairman
DIN No : 00133410

S Nagarajan
Executive Vice Chairman
DIN No : 00009236

Sachin Pillai
Managing Director & CEO
DIN No : 06400793

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

HINDUJA LEYLAND FINANCE LIMITED

Consolidated statement of cash flow for the year ended 31 March 2022

INR In Lakh

	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from operating activities		
Net profit before tax	44,882	43,314
Adjustments:		
Depreciation and amortization expense	1,706	1,964
Profit on sale of property, plant and equipement	(74)	(40)
Net loss/(gain) on fair value changes/disposal of investment	805	(3,542)
Finance costs	1,53,411	1,56,551
Interest received	(2,80,581)	(2,77,875)
Provision for expected credit loss and amounts written off	71,053	72,296
Impairment loss on other receivables	3,690	2,991
Provisions	-	-
Share based payment	159	336
Operating cash flow before working capital changes	(4,949)	(4,005)
Adjustments for (Increase) / Decrease in operating assets:		
Trade Receivables	-	-
Other receivables	-	-
Loans	(77,724)	(2,14,938)
Other financial assets	(50,234)	(25,656)
Other non- financial assets	5	(2,809)
Adjustments for Increase / (Decrease) in operating Liabilities:		
Trade payables	1,421	(152)
Other financial liabilities	(3,839)	2,136
Other non financial liabilities and provisions	(3,850)	(3,983)
Net cash used in operations	(1,39,170)	(2,49,406)
Finance costs	(1,48,260)	(1,52,156)
Interest received	2,79,169	2,73,986
Taxes paid (net)	(10,756)	(4,519)
Net cash (used in) operating activities (A)	(19,017)	(1,32,096)
B. Cash flow from investing activities		
Investment in joint venture pass through securities	4,701	5,204
Investment in redeemable non-convertible debentures (net)	(2,037)	616
Interest on fixed deposits	224	3,371
Bank deposits (having original maturity of more than three months)	1,626	9,025
Purchase of PPE (PPE and intangible assets) including capital work-in-progress	(342)	(1,210)
Net cash (used in) investing activities (B)	4,172	17,006
C. Cash flow from financing activities		
Proceeds from issue of equity shares including securities premium (net)	48	15
Proceeds from borrowings	7,46,695	7,34,577
Repayments of borrowings	(7,19,792)	(6,42,786)
Proceeds from working capital loan / cash credit and commercial paper (net)	(11,492)	21,904
Payments of Lease liability	(1,416)	(1,018)
Net cash from financing activities (C)	14,043	1,12,692
Net decrease in cash and cash equivalents (A+B+C)	(801)	(2,398)
Cash and cash equivalents at the beginning of the year	81,871	84,269
Cash and cash equivalents at the end of the year	81,070	81,871

HINDUJA LEYLAND FINANCE LIMITED Guindy Chennai 32

HINDUJA LEYLAND FINANCE LIMITED
Consolidated statement of cash flow for the year ended 31 March 2022

INR In Lakh

	Note	As at 31 Mar 2022	As at 31 Mar 2021
Components of cash and cash equivalents	6		
Cash and cheques on hand		20,898	27,460
Balances with banks		60,172	54,411
		81,070	**81,871**

The notes referred to above form an integral part of these financial statements.
As per our report of even date

As per our report of even date
for **Deloitte Haskins & Sells**
Chartered Accountants

G.K.Subramaniam
Partner

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

P Shankar Raman
Partner

Place : Chennai
Date : 17 May 2022

For and on behalf of the Board of Directors of
Hinduja Leyland Finance Limited
CIN : U65993TN2008PLC069837

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Chairman
DIN No : 00133410

S Nagarajan
Executive Vice Chairman
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Sachin Pillai
Managing Director & CEO
DIN No : 06400793

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

HINDUJA LEYLAND FINANCE LIMITED
Guindy, Chennai - 32

HINDUJA LEYLAND FINANCE LIMITED
Statement of Changes in Equity for the year ended 31 March 2022

A Equity share capital

INR In Lakh

Particulars	Number of shares	Amount
Balance as at 1 April 2020	46,97,52,490	46,975
Change in equity share capital during the year		
Add: Issued during the year	30,000	3
Balance as at 31 March 2021	**46,97,82,490**	**46,978**
Change in equity share capital during the year		
Add: Issued during the year	1,10,500	11
Balance as at 31 March 2022	**46,98,92,990**	**46,989**

B Other equity

	Reserves and Surplus				Other items of other comprehensive income		Total
B Other equity	**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**	
Balance as at 1 April 2020	30,784	96,247	293	1,12,513	-	45,680	2,85,517
Share based expenses	-	-	336	-	-	-	336
Premium on issue of share capital	-	12	-	-	-	-	12
Profit for the year	-	-	-	33,338	-	-	33,338
Transfer to / from reserve	6,668	397	(397)	(6,668)	-	-	0
Other comprehensive income (net of tax)	-	-	-	-	(9)	30,544	30,535
Balance as at 31 March 2021	**37,452**	**96,656**	**232**	**1,39,183**	**(9)**	**76,224**	**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)		-	-
Other comprehensive income (net of tax)	-	-	-	-	107	(20,831)	(20,724)
Balance as at 31 March 2022	**44,270**	**96,706**	**378**	**1,66,454**	**98**	**55,393**	**3,63,299**

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

As per our report of even date
for **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors of
Hinduja Leyland Finance Limited
CIN : U65993TN2008PLC069837

G.K.Subramaniam
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Dheeraj G Hinduja
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Executive Vice Chairman
DIN No : 00009236

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Managing Director & CEO
DIN No : 06400793

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

P Shankar Raman
Partner

Place : Chennai
Date : 17 May 2022

Kishore Kumar Lodha
Chief Financial Officer

Place : Chennai
Date : 17 May 2022

B Shanmugasundaram
Company Secretary
Membership No: F5949

HINDUJA LEYLAND FINANCE LIMITED

1 Reporting entity

Hinduja Leyland Finance Limited ('the Group'), incorporated on 12 November 2008 and headquartered in Chennai, India is a Non Banking Finance Company engaged in providing asset finance. the Group 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 Group 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 Group 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 February 22, 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%
Hinduja Insurance Broking and Advisory Services 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 Group, subsidiary and associate 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") (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.

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.

2.5 Use of estimates and judgments (*Continued*)

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) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination 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.

iii) Fair value of financial instruments

HINDUJA LEYLAND FINANCE LIMITED Guindy, Chennai - 32

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.

3 Principles and Particulars of Consolidation

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

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 2022.

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.

b Investment in Associate

An associate 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 are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, the investment in an associate 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. Distributions received from associate is recognised as reduction in the carrying amount of the investments. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), 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.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, 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.

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

HINDUJA LEYLAND FINANCE LIMITED Guindy, Chennai -32.

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.

D. Fees and commission income

Fees income includes fees other than those that are an integral part of EIR. 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.

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.

HINDUJA LEYLAND FINANCE LIMITED Guindy, Chennai-32

G. 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

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

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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 2022 and 31 March 2021.

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.

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%.

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.

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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-thecounter 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.

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 everage 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.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

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 reliable.

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
Leasehold improvements	Primary lease period or three years, whichever is earlier

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).

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.

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

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Computer softwares	5 years

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

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.

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 company 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.

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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 11B "Property, Plant and Equipment" and lease payments have been classified as financing cash flows.

Finance lease:

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's policy on borrowing costs

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

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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.

4.20 Segment reporting- Identification of segments:

An operating segment is a component of the Group that engages in business activities from which it many 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.

5 STANDARD ISSUED BUT NOT YET EFFECTIVE

The 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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below

Ind AS 16, Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The

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Company has evaluated the amendment and the impact is not expected to be material.

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INR In Lakh

6 Cash and cash equivalents

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Cash on hand	4,706	7,545
Balances with banks	60,172	54,411
Cheques, drafts on hand	16,192	19,915
Total	**81,070**	**81,871**

7 Bank balance other than cash and cash equivalents

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Bank deposits	3,959	5,585
Total	**3,959**	**5,585**

Notes :

7.1. The bank deposits earn interest at fixed rates.

7.2. The Group has given fixed deposits as credit enhancement for securitisation transactions in the form of pass through certificates entered by it, amounting to INR 3,870 Lakh (31 March 2021 : INR 5,272 Lakh) (Refer note 15)

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Notes to consolidated financial statements for year ended 31 March 2022

6 Loans

INR In Lakh

Particulars	As at 31 Mar 2022			As at 31 Mar 2021		
	At Amortised cost	At fair value through other comprehensive income	Total	At Amortised cost	At fair value through other comprehensiv e income	Total
A. Based on nature						
(I) Retail loans	10,85,552	10,22,791	21,08,343	10,32,940	10,52,585	20,85,525
Term Loans	1,27,788	-	1,27,788	1,65,980	-	1,65,980
	12,13,340	**10,22,791**	**22,36,131**	**11,98,920**	**10,52,585**	**22,51,505**
Less : Impairment loss allowance	(73,372)	-	(73,372)	(71,339)	-	(71,339)
Total (I)-Net	**11,39,968**	**10,22,791**	**21,62,759**	**11,27,581**	**10,52,585**	**21,80,166**
(II) Repossessed loans	24,456	-	24,456	31,252	-	31,252
	24,456	**-**	**24,456**	**31,252**	**-**	**31,252**
Less : Impairment loss allowance	(10,461)	-	(10,461)	(13,498)	-	(13,498)
Total (I)-Net	**13,995**	**-**	**13,995**	**17,754**	**-**	**17,754**
Total (I) and (II)	**11,53,963**	**10,22,791**	**21,76,754**	**11,45,335**	**10,52,585**	**21,97,920**
B. Based on Security						
(i) Secured by tangible assets	12,16,530	10,22,791	22,39,322	12,30,172	10,52,585	22,82,757
(ii) Unsecured	21,265	-	21,265	-	-	-
Total Gross Loans	**12,37,795**	**10,22,791**	**22,60,587**	**12,30,172**	**10,52,585**	**22,82,757**
Less:Impairment loss allowance	(83,833)	-	(83,833)	(84,837)	-	(84,837)
Total Net Loans	**11,53,962**	**10,22,791**	**21,76,754**	**11,45,335**	**10,52,585**	**21,97,920**
C. Based on region						
(I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	12,37,795	10,22,791	22,60,587	12,30,172	10,52,585	22,82,757
Total Gross	**12,37,795**	**10,22,791**	**22,60,587**	**12,30,172**	**10,52,585**	**22,82,757**
Less:Impairment loss allowance	(83,833)	-	(83,833)	(84,837)	-	(84,837)
Total (I)-Net	**11,53,962**	**10,22,791**	**21,76,754**	**11,45,335**	**10,52,585**	**21,97,920**
(II) Loans outside India						
Loans outside India	-	-	-	-	-	-
Total (I) and (II)	**11,53,962**	**10,22,791**	**21,76,754**	**11,45,335**	**10,52,585**	**21,97,920**

Notes :

1 Security details

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

2 Loans and Advances to promotors, 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	-	-

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9 Investments

INR In Lakh

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
	at amortised cost	
Investments in equity instruments of associate		
HLF Services Limited	506	357
Investments in equity instruments of joint venture, at cost		
Gro Digital Platforms Limited	998	-
Measured at fair value through profit and loss		
Investment in equity shares (quoted)		
Investment in equity shares	3,002	3,807
Investment in security receipts (unquoted)		
Investment in security receipts	61,548	20,889
Measured at amortised cost		
Investment in debentures (unquoted)		
Non-convertible redeemable debentures	9,921	3,045
Investment in debentures (quoted)		
Non-convertible redeemable debentures	1,507	6,346
Investment in pass-through certificates (unquoted)		
Investment in pass-through certificates	18,448	38,372
Investment in funds (unquoted)		
Investment in alternative investment funds	23,206	9,151
Gross Investments	**1,19,137**	**81,967**
(i) Investments outside India		
(ii) Investments in India	1,19,137	81,967
Gross Investments	**1,19,137**	**81,967**
Less: Provision for diminution in value of investments	(6)	(16)
Total	**1,19,131**	**81,951**

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	504	355
Total	**506**	**357**

Aggregate market value of quoted investments	4,509	6,852

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	
(ii) Share of profits	(2)	

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INR In Lakh

10 Other financial assets

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Employee advances	108	83
Security deposits	477	575
Other receivables	5,465	4,492
Receivable from assigned loans	33,378	28,491
Total	**39,428**	**33,641**

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INR In Lakh

11 Property, plant and equipment and capital work in progress

Particulars	Freehold land*	Buildings	Servers and computers	Furniture and fittings	Motor vehicles	Office equipment	Leasehold improvements	Total
Gross block								
As at 1 April 2020	2,066	1,464	1,939	555	608	178	345	7,155
Additions	3,935	-	146	6	-	8	39	4,134
Deletions	-	-	15	-	117		-	132
As at 31 March 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
As at 31 March 2022	**6,043**	**1,464**	**2,333**	**438**	**232**	**166**	**372**	**11,048**
Accumulated depreciation								
As at 1 April 2020	-	185	935	213	353	109	203	1,999
Depreciation for the year		27	436	66	74	28	82	712
Deletion		-	7	-	112		-	119
As at 31 March 2021	-	**212**	**1,364**	**279**	**315**	**137**	**285**	**2,592**
Depreciation for the year		27	364	69	57	24	54	594
Deletion			7	128	253	31	77	495
As at 31 March 2022	-	**239**	**1,722**	**220**	**118**	**130**	**262**	**2,692**
Carrying amount (net)								
As at 31 March 2021	6,001	1,252	705	282	176	48	99	8,564
As at 31 March 2022	**6,043**	**1,225**	**611**	**218**	**114**	**35**	**110**	**8,356**

* Land having a value of INR 350 lakhs situated in Koodapakkam has been issued as security for issue of non-convertible debentures.

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	-	-	-	-	-

Capital-Work-in Progress (CWIP) as on 31 March 2021	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	38	-	-	-	38
Projects temporarily suspended	-	-	-	-	-

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INR In Lakh

11A Intangible assets

Particulars	Computer Software	Total
As at 1 April 2020	108	108
Additions	35	35
Deletions	-	-
As at 31 March 2021	143	143
Additions	103	103
Deletions	86	86
As at 31 March 2022	160	160
Accumulated depreciation		
As at 1 April 2020	45	45
Depreciation for the year	24	24
Deletions	-	-
As at 31 March 2021	69	69
Depreciation for the year	28	28
Deletions	6	6
As at 31 March 2022	91	91
Carrying amount (net)		
As at 31 March 2021	74	74
As at 31 March 2022	69	69

11B Right of use asset

Particulars	Right of use asset	Total
Gross block		
As at 1 April 2020	3,048	3,048
Additions	1,210	1,210
Deletion	-	-
As at 31 March 2021	4,258	4,258
Additions	1,956	1,956
Deletion	-	-
As at 31 March 2022	6,214	6,214
Accumulated amortisation		
As at 1 April 2020	398	398
Amortisation for the year	1,228	1,228
Deletion	-	-
As at 31 March 2021	1,626	1,626
Amortisation for the year	1,084	1,084
Deletion	90	90
As at 31 March 2022	2,620	2,620
Carrying amount (net)		
As at 31 March 2021	2,632	2,632
As at 31 March 2022	3,594	3,594

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12 Other non-financial assets

INR In Lakh

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Prepaid expenses	1,610	3,189
Balance receivable from government authorities	4,165	2,591
Total	5,775	5,780

13 Payables

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Trade payables (refer note)		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,408	1,987
Total	3,408	1,987

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 Company's suppliers are covered under the MSMED and accordingly, disclosure of information relating to principal, interest accruals and payments are not applicable.

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Trade Payables ageing schedule as at 31 March 2022

Ageing	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	-	-	-	-
Total	-	3,408	-	-

Trade Payables ageing schedule as at 31 March 2021

Ageing	MSME	Others	Disputed dues – MSME	Disputed dues - Others
Outstanding for following periods from due date of payment				
Less than 1 year	-	1,987	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	-	1,987	-	-

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INR In Lakh

14 Debt securities

Particulars	As at 31 March 2022	As at 31 Mar 2021
Measured at amortised cost:		
Secured		
13,300 (31 March 2021: 12,550) Redeemable non-convertible debentures (refer notes 14.1 & 14.2)	1,32,816	1,25,432
Total (A)	**1,32,816**	**1,25,432**
Debt securities in India	1,32,816	1,25,432
Debt securities outside India	-	-
Total (A)	**1,32,816**	**1,25,432**
Total (A+B)	**1,32,816**	**1,25,432**

14.1 **Terms of repayment of debt securities:**

Redeemable non-convertible debentures are secured by first ranking mortgage of an immovable property in favour of trustees in addition to exclusive charge on hypothecation of loan receivables with a security cover upto 110% as per the terms of issue.

14.2 Out of the debentures issued and outstanding:

a) 13,300 (31 March 2021: 12,550) debentures with a face value of Rs. 1,000,000/- were outstanding as on 31 March 2022. These debentures carry interest rates ranging from 7.45% p.a. to 9.25% p.a. and the redemption period is ranging from 18 months to 3 years from the date of allotment.

The aforesaid debentures are listed at Bombay Stock Exchange.

15 Borrowings (Other than debt securities)

Particulars	As at 31 March 2022	As at 31 Mar 2021
Secured borrowings		
Term Loan from banks and financial institution (refer note 15.1, 15.2 & 15.3)	16,27,652	15,86,757
Cash credit and working capital demand loans from banks (refer note 15.1)	64,071	75,563
Other Borrowings (refer note 7.2)	8,934	24,635
Total	**17,00,657**	**16,86,955**
Borrowings in India	17,00,657	16,86,955
Borrowings outside India	-	-
Total	**17,00,657**	**16,86,955**
Total	**17,00,657**	**16,86,955**

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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 company 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 2022, the rate of interest across the loans was in the range of 4.40% p a to 8.66% 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.

16 Subordinated liabilities

Particulars	As at 31 March 2022	As at 31 Mar 2021
Measured at amortised cost:		
Subordinated redeemable non-convertible debentures (refer 16.1)	1,14,655	1,20,335
Other sub-ordinated unsecured loans (refer note 16.2)	7,486	7,479
Total (A)	**1,22,141**	**1,27,814**
Subordinated Liabilities in India	1,22,141	1,27,814
Subordinated Liabilities outside India	-	-
Total (B)	**1,22,141**	**1,27,814**

16.1 Details relating to subordinated redeemable non-convertible debentures

11,550 (31 March 2021: 12,100) debentures with a face value of Rs. 1,000,000/- were outstanding as on 31 March 2022.

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.

16.2 Details relating to Other sub-ordinated unsecured loans

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.

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INR In Lakh

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

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.

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INR In Lakh

17.2 Details of terms of redemption/ repayment and security provided in respect of term loans of parent company:

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.

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

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.

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INR In Lakh

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

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.

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

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.

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HINDUJA LEYLAND FINANCE LIMITED
Notes to consolidated financial statements for year ended 31 March 2022

INR In Lakh

15.7 Details of terms of redemption/ repayment and security provided in respect of term loans of parent company:

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.

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INR In Lakh

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

Particulars	Amount	Terms of redemption/ repayment	Security
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.

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INR In Lakh

15.7 Details of terms of redemption/ repayment and security provided in respect of term loans of parent company:

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.

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INR In Lakh

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

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	-2,236		
Total Term Loans from Banks	13,20,599		

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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	11,839.42 (14,355.03)	Repayable in 96 Equal Monthly installments Remaining no. of installments: 57	Exclusive charge on Specific receivables
Term loan - 2	2,631.57 (3,684.21)	Repayable in 57 Equal Monthly installments Remaining no. of installments: 30	Exclusive hypothecation of standard receivables
Term loan - 3	9,672.00 (11,288.00)	Repayable in 31 Equal Quarterly installments Remaining no. of installments: 24	Exclusive charge on the company's receivables
Term loan - 4	5,806.00 (6,774.00)	Repayable in 31 Equal Quarterly installments Remaining no. of installments: 24	Exclusive charge on the priority sector receivables (housing) (created out of loan proceeds)
Term loan - 5	7,842.60 (9,283.87)	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 22	Exclusive charge on the receivables
Term loan - 6	7,485.28 (8,925.39)	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 21	Exclusive floating charge on specific book debts and future receivables
Term loan - 7	6,781.74 (8,212.02)	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 19	Exclusive charge on receivables of the company
Term loan - 8	3,376.43 (4,099.33)	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 19	Exclusive Floating charge on specific book debts and future receivables
Term loan - 9	4,976.79 (6,409.24)	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 14	Exclusive charge on receivables of the company
Term loan - 10	629.16 (822.68)	Repayable in 31 Equal Quarterly installments Remaining no. of installments: 13	Exclusive charge on specific receivables / book debts other than those specifically charged to other lenders
Term loan - 11	5,000.28 (6,668.87)	Repayable in 24 Equal Quarterly installments Remaining no. of installments: 12	Exclusive charge on specific receivables
Term loan - 12	4,500.00 (5,000.00)	Repayable in 20 Equal Quarterly installments Remaining no. of installments: 18	Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.
Term loan - 13	961.00 (1,285.00)	Repayable in 31 Equal Quarterly installments Remaining no. of installments: 12	Exclusive charge on specific receivables / book debts other than those specifically charged to other lenders
Term loan - 14	3,119.92 (4,372.36)	Repayable in 24 Equal Quarterly installments Remaining no. of installments: 10	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 - 15	1,125.00 (1,625.00)	Repayable in 24 Equal Quarterly installments Remaining no. of installments: 9	Exclusive charge on specific loan receivables
Term loan - 16	8,400.00 (13,200.00)	Repayable in 20 Equal Quarterly installments Remaining no. of installments: 7	Exclusive Charge on Book debts

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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	900.00 (1,500.00)	Repayable in 20 Equal Quarterly installments Remaining no. of installments: 6	Exclusive charge on Specific receivables
Term loan - 18	3,125.00 (5,625.00)	Repayable in 16 Equal Quarterly installments Remaining no. of installments: 5	Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.
Term loan - 19	416.66 (2,083.33)	Repayable in 12 Equal Quarterly installments Remaining no. of installments: 1	Hypothecation of exclusive charge on specific receivables
Term loan - 20	- (1,249.91)	Repayable in 12 Equal Quarterly installments Remaining no. of installments: Nil	Hypothecation of exclusive charge on specific receivables
Term loan - 21	- (1,250.00)	Repayable in 8 Equal Half-yearly installments Remaining no. of installments: Nil	Exclusive charge on specific loan receivables
Term loan - 22	7,199.43 (8,886.85)	Repayable in 72 Equal Monthly installments Remaining no. of installments: 52	Exclusive charge on specific receivables
Term loan - 23	18,556.04 (19,986.82)	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 26	Exclusive charge on the receivables
Term loan - 24	6,250.00 (7,500.00)	Repayable in 18 Equal Quarterly installments Remaining no. of installments: 15	Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.
Term loan - 25	10,644.97 (12,498.84)	Repayable in 81 Equal Monthly installments Remaining no. of installments: 69	Exclusive charge on specific receivables
Term loan - 26	6,467.24 (7,487.76)	Repayable in 81 Equal Monthly installments Remaining no. of installments: 70	Exclusive charge on the priority sector receivables (housing)
Term loan - 27	9,994.45 (1,999.43)	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 28	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 - 23	9,227.79 (9,999.64)	Repayable in 26 Equal Quarterly installments Remaining no. of installments: 24	Exclusive charge on the receivables
Term loan - 29	7,999.94 (10,000.00)	Repayable in 60 Equal Monthly installments Remaining no. of installments: 48	Exclusive charge on the priority sector receivables (housing)
Term loan - 30	3,000.00	Repayable in 3 Equal Annual installments Remaining no. of installments: 3	Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.
Term loan - 31	9,272.35 -	Repayable in 84 Equal Monthly installments Remaining no. of installments: 78	Exclusive charge of specific receivables from the performing loan portfolio
Term loan - 32	11,999.95 -	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 28	Exclusive charge on the receivables
Term loan - 33	7,999.40 -	Repayable in 20 Equal Quarterly installments Remaining no. of installments: 20	Exclusive charge on specific housing loan receivables
Term loan - 34	7,499.99 -	Repayable in 81 Equal Monthly installments Remaining no. of installments: 81	Exclusive hypothecation of PSL receivables
Term loan - 35	3,000.00 -	Repayable in 60 Equal Monthly installments Remaining no. of installments: 60	Exclusive charge on specific loan receivables
Term loan - 36	7,999.46 -	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 28	Exclusive charge on the standard receivables
Term loan - 37	19,998.27 -	Repayable in 24 Equal Quarterly installments Remaining no. of installments: 24	Exclusive charge on standard loan receivables
Term loan - 38	9,857.42 -	Repayable in 96 Equal Monthly installments Remaining no. of installments: 95	Exclusive charge on priority sector house mortgage loans/ assets
Term loan - 39	9,999.59 -	Repayable in 96 Equal Monthly installments Remaining no. of installments: 96	Exclusive charge on priority sector house mortgage loans/ assets

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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	14,032.00	Repayable in 31 Equal Quarterly installments Remaining no. of installments: 29	Exclusive charge on the company's receivables
Term loan - 41	5,000.00	Repayable in 31 Equal Monthly installments Remaining no. of installments: 31	Exclusive charge on the company's receivables
Term loan - 42	5,000.00	Repayable in 16 Equal Quarterly installments Remaining no. of installments: 16	Exclusive charge of specific standard receivables
Term loan - 43	20,000.00	Repayable in 26 Equal Quarterly installments Remaining no. of installments: 26	Exclusive charge on the receivables
Term loan - 44	7,999.37	Repayable in 84 Equal Monthly installments Remaining no. of installments: 84	Exclusive hypothecation of book debts
Total term loans from banks	**3,07,586.52** **(1,96,072.58)**		

Note:

(i) Figures in bracket represents the figures for FY 2020-21

(ii) Maturity profile above is disclosed at face value which excludes the impact of effective rate of interest and interest accrued amounting to INR 520.91 Lakh (31 March 2021 - INR 304.04 Lakh)

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17 Other financial liabilities

INR In Lakh

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Interest accrued but not due on borrowings	17,298	16,534
Payable to assignees towards collections in assigned assets	24,269	28,351
Interest participation payable	11,376	12,660
Payable to employees	1,560	1,370
Lease liability	3,923	2,764
Other payable	1,247	675
Total	**59,673**	**62,354**

18 Provisions

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Provision for employee benefits		
- gratuity	84	260
- compensated absences	293	280
Total	**377**	**540**

19 Other non-financial liabilities

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Statutory liabilities	1,166	780
Total	**1,166**	**780**

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Notes to consolidated financial statements for year ended 31 March 2022

20 Equity share capital

INR In Lakh

	As at 31 Mar 2022	As at 31 Mar 2021
Authorised		
622,907,700 (31 March 2021: 622,907,700) equity shares of INR 10/- each	62,291	62,291
	62,291	**62,291**
Issued, subscribed and fully paid up		
469,782,490 (31 March 2021 : 469,782,490) equity shares of INR 10/- each	46,989	46,978
	46,989	**46,978**

Notes:

a) Reconciliation of number of Equity shares subscribed

	As at 31 Mar 2022		As at 31 Mar 2021	
	No. of shares	Amount in Lakhs	No. of shares	Amount in Lakhs
Equity shares				
At the commencement of the year	46,97,82,490	46,978	46,97,52,490	46,975
Add: Shares issued during the year	1,10,500	11	30,000	3
At the end of the year	**46,98,92,990**	**46,989**	**46,97,82,490**	**46,978**

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

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% held	No. of shares	% held
Equity shares				
Ashok Leyland Limited; Holding company	32,32,46,338	68.81%	32,32,46,338	68.79%

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

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% held	No. of shares	% held
Equity shares				
Ashok Leyland Limited; holding company	32,32,46,338	68.81%	32,32,46,338	68.79%
IndusInd International Holdings Limited	-	0.00%	7,89,79,303	16.81%
Hinduja Automotive Limited	12,22,67,542	26.02%	4,32,88,239	9.21%

e) Shares reserved for issue under employee stock option plan

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Under Employee stock option scheme, 2013, at an exercise price as determined by the Nomination and Remuneration Committee	1,83,75,248	1,838	1,86,64,748	1,866

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 2022, 25,04,000 (31 March 2021: 2,440,000) equity shares issued under employee stock option plan for which only exercise price has been received in cash.

f) Details of promoters holding shares in the Company

Promoter name	No. of shares	% of total shares	% Change during the year
Ashok Leyland Limited; holding company	32,32,46,338	68.81%	0.2%

HINDUJA LEYLAND FINANCE LIMITED Guindy, Chennai - 32.

21 Other Equity

INR In Lakh

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
a) Securities premium account		
Balance at the beginning of the year	96,656	96,247
Add: Premium on issue of shares	37	12
Add: Transferred from Employee Stock Option Outstanding account	13	397
Add: Comprehensive Income for the year		
Balance at the end of the year	96,706	96,656
b) Employee stock option outstanding account		
Balance at the beginning of the year	232	293
Add: Share based payment expense for the year	159	336
Less: Transferred to securities premium	(13)	(397)
Balance at the end of the year	378	232
c) Statutory & special reserves		
(As per Section 45-IC of Reserve Bank of India Act, 1934, As per section 29C of The National Housing Bank Act,1987 & As per section 36(1)(viii) of Income Tax Act, 1961)		
Balance at the beginning of the year	37,452	30,784
Add: Amount transferred from surplus in statement of profit and loss	6,818	6,668
Balance at the end of the year	44,270	37,452
d) Retained earnings (Surplus in Statement of Profit and Loss)		
Balance at the beginning of the year	1,39,183	1,12,513
Add: Profit for the year	34,089	33,338
Less :Transferred to statutory & special reserve	(6,818)	(6,668)
Balance at the end of the year	1,66,454	1,39,183
e) Other comprehensive income		
Balance at the beginning of the year	76,215	45,680
Add: Comprehensive Income for the year	(20,724)	30,535
Balance at the end of the year	55,491	76,215
Total (a+b+c+d+e)	3,63,299	3,49,738

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 in accordance with the provisions of section 52 of the Act.

Employee stock option outstanding

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

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 Company 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 Company carried forward from earlier year These reserve are free reserves which can be utilised for any purpose as may be required.

Other comprehensive income

a) The Company has elected to recognise changes in the fair value of 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.

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Notes to consolidated financial statements for year ended 31 March 2022

INR In Lakh

22 Interest income

Particulars	Year ended			Year ended		
	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	Total	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	Total
Interest Income						
- Interest income on loans to customers	82,508	1,90,065	2,72,573	73,778	1,94,376	2,68,154
- Interest income on investments	-	5,317	5,317	-	5,219	5,219
- Interest income on lease assets	-	51	51	-	23	23
'- Interest on CD	-	15	15	-	410	410
- Other interest income on security deposit						
Total	82,508	1,95,448	2,77,956	73,778	2,03,028	2,73,806

23 Fees and commission Income

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Other charges	5,583	3,832
Total	5,583	3,832

24 Net gain on derecognition of financial instruments

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Income on assignment of loans	24,436	20,081
Total	24,436	20,081

25 Income from other services

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Interest on fixed deposits	224	3,371
Other income (refer note below)	2,358	698
Total	2,582	4,069

Note: Interest on income tax refund amounting to INR 1287 lakh for FY 2021-22.

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Notes to consolidated financial statements for year ended 31 March 2022

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26 Finance Costs

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Finance costs on financial liabilities measured at amortised cost		
Interest on borrowings		
- term loans from banks	1,20,568	1,26,012
- cash credits and working capital demand loans	1,373	4,383
- securitised portfolio	804	3,225
- other borrowing cost	395	-
Interest on debt securities	12,419	8,572
Interest on subordinated liabilities	13,162	12,043
Amortisation of discount on commercial papers	434	307
Amortisation of ancillary costs relating to borrowings	3,728	1,831
Interest on lease assets	528	178
Total	**1,53,411**	**1,56,551**

27 Fees and commission expense

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Service provider and sourcing expenses	5,961	3,778
	-	-
Total	**5,961**	**3,778**

28 Impairment on financial instruments

Particulars	Year ended 31 Mar 2022		Year ended 31 Mar 2021	
	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost
Provision for expected credit loss and amounts written off	-	71,053	-	72,296
Impairment loss on EIS receivable	-	3,690	-	2,991
Total	-	74,743	-	75 287
Total impairment of financial assets		74,743		75,287

29 Employee Benefits Expenses

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Salaries, wages and bonus	17,126	15,424
Contribution to provident, gratuity and other funds	981	969
Staff welfare expenses	289	109
Employee stock option expenses	159	336
Total	18,555	16,838

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30 Depreciation and amortization

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Depreciation of property, plant and equipment	595	712
Amortisation of intangible assets	28	24
Depreciation on right of use assets	1,083	1,228
Total	**1,706**	**1,964**

31 Other expenses

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Legal and professional charges	4,084	2,369
Rent (refer note 40)	443	480
Communication expenses	596	568
Insurance	654	436
Electricity charges	236	216
Advertisement and sale promotion	21	-
Rates and taxes	124	283
Office maintenance	212	246
Repairs and maintenance	236	264
Bank charges	130	154
Printing and stationery	380	321
Travelling and conveyance	1,128	698
Auditor remuneration (refer note 31.1)	174	143
Meeting and conference expenses	32	24
Commission to directors	190	191
Sitting fees to directors	118	101
Expenditure on corporate social responsibility (refer note 41)	1,235	548
Miscellaneous expenses	662	646
Total	**10,655**	**7,688**

31.1 Payments to auditor (excluding goods and services tax)

(a) As auditor:		
Statutory audit	92	65
Tax audit	4	4
Limited review	18	21
Consolidation	13	13
(b) In other capacity:		
Certification	18	10
Other services	20	25
(c) Reimbursement of expenses	9	5
	174	143

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INR In Lakh

32 Income Tax

The components of income tax expense for the years ended 31 March 2022 and 2021 are:

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Current tax	8,092	12,617
Deferred tax	2,630	(2,018)
Tax pertaining to earlier years	71	(623)
Total tax charge	**10,793**	**9,976**

32.1 Income tax recognised in other comprehensive income

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Current tax	-	-
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(37)	6
Gain/(Loss) on fair valuation of loans	7,006	(10,274)
Total income tax recognised in other comprehensive income	**6,969**	**(10,268)**

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 2022 and 2021 is, as follows:-

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Accounting profit before tax	44,764	43,224
Applicable tax rate	25.17%	25.17%
Computed tax expense	11,266	10,879
Tax effect of :		
Permanent differences	(473)	(903)
Tax expenses recognised in the statement of profit and loss	**10,793**	**9,976**
Effective tax rate	24.11%	23.08%

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% for the year March 31, 2022 and March 31, 2021 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

32.3 Deferred tax

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 1 April 2021	Statement of profit and loss	Other comprehensive income	As at 31 March 2022
Deferred tax asset / (liability) in relation to:				
Fixed assets	44	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 ESOP fair valuation		-	-	-
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)
Total	(21,430)	(2,630)	6,979	(17,080)

Component of Deferred tax asset / (liability)	As at 1 April 2020	Statement of profit and loss	Other comprehensive income	As at 31 March 2021
Deferred tax asset / (liability) in relation to:				
Fixed assets	40	5	-	44
Impact of fair value of assets	(15,446)	-	(10,274)	(25,720)
Impairment on financial assets	13,602	4,306	-	17,908
Provision for employee benefits	82	39	7	128
Impact on other receivables	(5,673)	(1,156)	-	(6,829)
Impact on leases	36	(38)	-	(2)
Impact of prepaid expenses	-	(6,517)	-	(6,517)
Excess interest spread upfronting	-	(344)		(344)
Others	0	(99)	-	(99)
Total	(7,359)	(3,804)	(10,267)	[illegible]

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33 Earnings per share ('EPS')

	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Earnings		
Net profit attributable to equity shareholders for calculation of basic EPS	34,089	33,338
Net profit attributable to equity shareholders for calculation of diluted EPS	34,089	33,338
Shares		
Equity shares at the beginning of the year	46,97,82,490	46,97,52,490
Shares issued during the year	1,10,500	30,000
Total number of equity shares outstanding at the end of the year	46,98,92,990	46,97,82,490
	-	-
Weighted average number of equity shares outstanding during the year for calculation of	46,98,44,549	46,97,65,723
Effect of dilutive potential equity shares		
Employee stock options	1,86,017	1,92,796
Weighted average number of equity shares outstanding during the year for calculation of	47,00,30,566	46,99,58,519
Face value per share	10.00	10.00
Earnings per share		
Basic	7.26	7.10
Diluted	7.25	7.09

34 Employee stock option

The Group 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 Company has granted options to its employees under the ESOP Scheme in June 2021. The options granted entitle the employees to purchase equity shares at an exercise price of INR 92.97 per option as determined by the Nomination and Remuneration Committee for the options issued in June 2021.

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	20-Mar-19	17-Oct-18	16-May-18
At the end of one year of service from gr	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	For the year ended 31 March 2022	For the year ended 31 March 2021
Share based payment expense:		
Total expense recognised in 'employee benefits'	159	

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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 2022		Year ended 31 March 2021	
	No of options	Weighted average exercise price	No of options	Weighted average exercise price
Outstanding at beginning of the year	12,19,000	81.79	13,51,000	77.68
Granted during the year	3,25,000	92.87	-	-
Reinitated during the year	1,48,500	48.09	-	-
Forfeited during the year	1,84,000	61.95	55,500	40.84
Exercised during the year	64,000	55.10	76,500	38.94
Expired during the year	-	-	-	0.00
Outstanding at the end of the year	14,44,500	84.55	12,19,000	81.79

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

Particulars	31-Mar-22			31-Mar-21		
	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	14,44,500	INR/- 28.00 to 110	1 – 4 years	12,19,000	INR/- 54.40 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	20-Mar-2019	16-May-2018	29-Jan-2018
No of shares	3,25,000	1,60,000	50,000	50,000	3,60,000
Value of the share at the grant date	100	110	110	110	110
Exercise price	92.97	110	110	110	110
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 governm	7.08%	7.08%	7.08%	6.88%	8.00%
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 743 lakhs (31 March 2021 : INR 797 lakhs) (refer note 29) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

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Defined benefit obligation

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-Mar-22	31-Mar-21
Significant assumptions		
Discount rate	5.70%	5.60%
Expected rate of salary escalation	10.00%	10.00%
Other assumption		
Mortality rate	Indian Assured Lives Mortality 2006-08 Ultimate	Indian Assured Lives Mortality 2006-08 Ultimate

b) **Gratuity benefit plan**

Financial assets not measured at fair value

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 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:

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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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 31 Mar 2022	As at 31 Mar 2021
Present value of obligations	813	751
Fair value of plan assets	792	514
Asset/ (Liability) recognised in the Balance Sheet	**(21)**	**(237)**

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

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Current service cost	185	170
Past service cost	-	-
Net interest cost	9	9
Components of defined benefits costs recognised in profit or loss.	**194**	**179**
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	(46)	-
- Actuarial (gain)/loss from change in financial assumptions	7	8
- Actuarial (gain)/loss from change in experience adjustments	(58)	13
- Return on plan assets (greater)/less than discount rate	(9)	(4)
Total amount recognised in other comprehensive income	**(106)**	**17**
Total	**88**	**196**

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	As at 31 Mar 2022	As at 31 Mar 2021
Opening defined benefit obligation	751	551
Current service cost	185	170
Past service cost	-	-
Interest cost	39	32
Remeasurements (gains)/losses:		
- Actuarial (gain)/loss from change in demographic assumptions	(46)	-
- Actuarial (gain)/loss from change in financial assumptions	7	8
- Actuarial (gain)/loss from change in experience adjustments	(59)	13
Benefits paid	(61)	(23)
Closing defined benefit obligation	**813**	**751**

Movement in present values of defined benefit obligations

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Defined benefit obligation at the beginning of the year	751	551
Current service cost	185	170
Interest cost	39	32
Actuarial (gains) / losses	(98)	21
Benefits paid by the plan	(1)	-
Benefits paid directly by the Group	(63)	(23)
Defined benefit obligation at the end of the year	**813**	

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INR In Lakh

Movement in fair value of plan assets

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Fair value of plan assets at the beginning of the year	514	330
Contributions paid into the plan	237	157
Benefits paid by the plan	(1)	-
Expected return on plan assets	33	23
Actuarial (losses) / gains	9	4
Fair value of plan assets at the end of the year	792	514

Expense recognised in the statement of profit or loss

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Current service cost	185	170
Interest on obligation	39	32
Expected return on plan assets	27	(19)
Net actuarial (gain)/ loss recognised in the year	(95)	87
Benefits paid directly by the Group	(63)	(13)
Total	**93**	**157**

Actuarial assumptions

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Discount rate	5.70%	5.20%
Estimated rate of return on plan assets	5.70%	5.20%
Attrition rate	25.00%	25.00%
Future salary increases	10.00%	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	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18
Defined benefit obligation	813	751	552	353	240
Fair value of plan assets	792	514	330	220	206
Deficit in plan	21	237	221	132	34
Experience adjustments on plan	2	13	33	40	(41)
Experience adjustments on plan assets	4	4	2	2	36

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 2022		Year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
100 base points increase/decrease				
Discount rate	(62)	72	(26)	28
Future salary growth	70	(63)	26	(25)
Attrition rate	(56)	61	(10)	11

INR In Lakh

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 in 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 31 Mar 2022	As at 31 Mar 2021
Expected benefits for year 1	155.45	116.44
Expected benefits for year 2	141.20	118.73
Expected benefits for year 3	162.08	147.16
Expected benefits for year 4	164.72	172.02
Expected benefits for year 5	166.71	180.50
Expected benefits for year 6	173.08	167.22
Expected benefits for year 7	151.84	155.55
Expected benefits for year 8	139.73	137.81
Expected benefits for year 9	123.02	124.38
Expected benefits for year 10 and above	105.62	106.05

The weighted average duration of the payment of these cash flows is 4 years (FY 2020-21 - 4 years)

c) Other long term employee benefits

The liability for compensated absences as at March 31, 2022 is INR 292.85 lakhs and as at March 31, 2021 is INR 279.84 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 business of providing loans for vehicle and housing finance. The Group has its operations within India and all revenues are generated within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

37 Contingent liabilities and commitments

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Claims against the Group not acknowledged as debts: Value added taxes [bank guarantee provided against the claim INR 5 lakhs (31 March 2021 : INR 5 lakhs)]	139	180
Bank guarantee against securitisation transactions	200	3,124
Claims against the Group not acknowledged as debts: Direct taxes	991	
Commitments: Sanctioned and undisbursed amounts of loans	12,355	8,960

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.

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INR In Lakh

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 Hinduja Automotive Limited ("HAL") – Holding Company of ALL Machen Holdings S.A ("Machen") – Holding Company of HAL Machen Development Corporation ("MDC") – Holding Company of Machen Amas Holdings S.A. – Holding Company of MDC
Subsidiary company	Hinduja Housing Finance Limited ("HHF") Hinduja Insurance Broking and Advisory Services Limited ("HIBAL")
Associate company	HLF Services Limited ("HSL")
Fellow subsidiary	Hinduja Energy (India) Limited Gulf Ashley Motors Limited Ashley Aviation Limited
Joint venture	Gro Digital Platforms Limited ("GDPL")
Key management personnel (KMP)	Mr. Dheeraj G Hinduja, Chairman Mr. S. Nagarajan, Executive Vice Chairman Mr. Sachin Pillai, Managing Director & CEO Mr. Gopal Mahadevan, Director Mr. Sudhanshu Tripathi, Director Mr. G S Sundararajan, Independent Director Mr. R S Sharma, Independent Director Ms. Manju Agarwal, Independent Director Mr. D Sarkar, Independent Director Mr. Jean Brunol, Independent Director (With effect from 22 March 2022) Prof. Dr. Andreas H Biagosch, Independent Director (Retired on 9 Nov 2021) Ms. Bhumika Batra, Independent Director Mr. Kishore Kumar Lodha, Chief Financial Officer Mr. B Shanmugasundaram, Company Secretary Mr. Srinivas Acharya, Independent Director

Related party transactions

INR In Lakh

Nature of transaction	Holding company (ALL)	Associate	Fellow subsidiary	Joint Venture	KMP
Investment in equity shares - Hinduja Insurance Broking and Advisory Services Limited & Gro Digital Platforms Limited	- -	- -	- -	1,000 -	- -
Inter-corporate deposits (Hinduja Energy (India) Limited & Gro Digital Platforms Limited)	- -	- -	- (30,000)	50 -	- -
Repayment of Inter-corporate deposits (Hinduja Energy (India) Limited & Gro Digital Platforms Limited)	- -	- -	- (30,000)	50 -	- -
Advance given (Gulf Ashley Motors Limited)	- - -	- - -	- (600) -	- - -	- - -
Repayments towards inter-corporate deposit /advances *	- - -	- - -	- - -	- - -	- - -
Repayments towards trade advance (Gulf Ashley Motors Limited)	- - -	- - -	- - -	- - -	- - -
Reimbursement of expenses incurred on behalf of the related party	- -	- -	- -	- -	- -

Figures in bracket represent previous year figures.

Nature of transaction	Holding company (ALL)	Associate (HSL)	Fellow subsidiary		KMP
Rental payments to Ashok Leyland Limited	1	-	-	-	

Limited)	-	-	(600)	-	-
Reimbursement of expenses incurred on behalf of	52	-	-	114	-
the related party	(60)	-	(21)	-	-
Interest income	-	-	-	-	-
- Hinduja Energy (India) Limited & Gro Digital	-	-		-	-
Platforms Limited	-	-	(768)	-	-
- Gulf Ashley Motors Limited	-	-	-	-	-
	-	-	-	-	-
Purchase of services including tax:				-	
a. Service provider fee	-	15,175	-	-	-
	-	(11,991)	-	-	-
b. Sourcing / marketing expenses	-	-	-	-	-
	-	-	-	-	-
Income from other services	80.00	-	-	-	-
	(124.00)	-	-	-	-
Number of equity shares allotted on exercise of	-	-	-	-	15,000
options - Mr. Sachin pillai	-	-	-	-	(15,000)
Salaries and allowances					
- Mr. S. Nagarajan	-	-	-		431
	-	-	-		(403)
- Mr. Sachin Pillai	-	-	-		369
	-	-	-		(324)
- Mr. Kishore Kumar Lodha	-	-	-		140
	-	-	-		(120)
- Mr. B Shanmugasundaram	-	-	-		53
	-	-	-		(49)
Sitting fees and Comission					
- Mr. Dheeraj G Hinduja	-	-	-		66
	-	-	-		(61)
- Mr. Gopal Mahadevan	-	-	-		32
	-	-	-		(33)
- Mr. Sudhanshu Tripathi	-	-	-		27
	-	-	-		(25)
- Mr. G S Sundararajan	-	-	-		35
	-	-	-		(36)
- Mr. R S Sharma	-	-	-		32
	-	-	-		(31)
- Ms. Manju Agarwal	-	-	-		31
	-	-	-		(34)
- Mr. Debabrata Sarkar	-	-	-		32
	-	-	-		(31)
- Mr. Jean Brunol	-	-	-		1
	-	-	-		-
- Prof. Dr. Andreas H Biagosch	-	-	-		11
	-	-	-		(21)
- Ms. Bhumika Batra	-	-	-		30
	-	-	-		(11)
- Mr. Srinivas Acharya	-	-	-		2
	-	-	-		-

Year end balances

Particulars	As at 31 March 2022	As at 31 March 2021
Investement in related parties		
- Gro Digital Platforms Limited	1,000	-
- HLF Services Limited	2	2
Amounts due from related parties		
- Hinduja Energy (India) Limited	-	-
- HLF Services Limited	-	-
- Hinduja Housing Finance Limited	-	-
- Gulf Ashley Motors Limited	-	-

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.

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Notes to Consolidated financial statements for the year ended 31 March 2022

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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 2022			As at 31 March 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Cash and cash equivalents	81,070	-	81,070	81,871	-	81 871
Bank Balance other than cash and cash equivalents	3,959	-	3,959	5,585	-	5,585
Other Receivables	-	-	-			-
Loans	7,14,507	14,62,247	21,76,754	6,80,304	15,17,616	21,97,920
Investments	27,017	92,114	1,19,131	11,912	70,039	81,951
Other financial assets	19,330	20,098	39,428	18,319	15,321	33,641
Current tax assets (net)	9,426	-	9,426	5,952	-	5,952
Deferred tax assets (net)	-	-0	-0	-		-
Property, Plant and Equipment	-	8,356	8,356	-	8,564	8,564
Capital work-in-progress	-	44	44	-	38	38
Other Intangible assets	-	69	69	-	74	74
Right of use assets	-	3,594	3,594	-	2,632	2,632
Other non-financial assets	5,775	-	5,775	5,771	8	5,780
Total Assets	**8,61,084**	**15,86,522**	**24,47,606**	**8,09,714**	**16,14,294**	**24,24,008**
Liabilities						
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	3,408	-	3,408	1,987	-	1,987
Debt Securities	44,965	87,851	1,32,816	57,173	68,259	1,25,432
Borrowings (other than debt securities)	6,33,367	10,67,290	17,00,657	6,56,498	10,30,457	16,86,955
Deposits	-	-	-	-	-	-
Subordinated liabilities	18,000	1,04,141	1,22,141	13,788	1,14,026	1,27,814
Other financial liabilities	50,070	9,603	59,673	57,972	4,382	62,354
Provisions	48	329	377	-	540	540
Deferred tax liabilities (net)	-	17,080	17,080	-	21,430	21,430
Other non-financial liabilities	1,166	-	1,166	780	-	780
Total Liabilities	**7,51,024**	**12,86,294**	**20,37,318**	**7,88,198**	**12,39,094**	**20,27,292**
Net	**1,10,060**	**3,00,228**	**4,10,288**	**21,516**	**3,75,200**	**3,96,716**

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Notes to Consolidated financial statements for the year ended 31 March 2022

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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, 2022:

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 & Yard	4,258	1,956	6,214	1,626	994	2,620	3,594

Category of ROU Asset	Gross Block			Accumulated Depreciation			Net Block
	As at 1 April 2020	Additions (net)	As at 31 March 2021	As at 1 April 2020	Depreciation(net)	As at 31 March 2021	As at 31 March 2021
Office Premises	3,048	1,210	4,258	398	1,228	1,626	2,632

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, 2022 on an undiscounted basis:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Within one year	1,261	1,118
After one year but not more than five years	3,074	1,916
More than five years	796	444
Total	**5,131**	**3,478**

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.

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:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Within one year	20	22
After one year but not more than five years	-	20
More than five years	-	-
Total	20	42
Less : Future finance charges	1	8
Present value of minimum lease payments	19	34
Total	**20**	**42**

INR In Lakh

41 Corporate social responsibility ("CSR") expenditure

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(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	913	825
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	303	540
(c) Shortfall at the end of the year	610	-
(d) Total of previous years shortfall	675	

The Company has unspent CSR provision of ₹ 675 lakh as on March 31, 2022 which has been deposited subsequently in April 2021 in a separate bank account. The Company is in process of utilizing against the approved projects.

42 Utilisation of the proceeds of rights issue

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Proceeds from rights issue	-	-
Utilisation during the year – Loan to customers	-	-
Un-utilised amount at the end of the year	-	-

43 Expenditure in foreign currency

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Legal and professional charges	26	39

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INR In Lakh

44 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
As at 31 March 2022					
Loans	9,48,654	-	-	10,22,791	10,22,791
As at 31 March 2021					
Loans	9,59,291	-	-	10,52,585	10,52,585

The Group does not have any financial assets measured at fair value as on 31 March 2022 and 1 April 2021.

Reconciliation of level 3 fair value measurement is as follows

Loans	Year ended	
	31 Mar 2022	31 Mar 2021
Loans, measured at FVOCI		
Balance at the beginning of the year	93,294	52,476
Total gains measured through OCI for additions made during the year	-19,156	40,818
Balance at the end of the year	**74,138**	**93,294**

Sensitivity analysis

	Equity, net of tax	
31 March 2022	Increase	Decrease
Loans		
Interest rates (1% movement)	18,938.00	19,657.00

The carrying value and fair value of financial instruments measured at fair value as of March 31, 2022 were as follows:

Particulars	Carrying amoun	Fair value (FVPTL)			
		Level 1	Level 2	Level 3	Total
As at 31 March 2022					
Investement in listed shares	3,002	3,002	-	-	3,002
Investement in securiy receipts	61,548	-	-	61,548	61,548
As at 31 March 2021					
Investement in listed shares	3,807	3,807	-	-	3,807
Investement in securiy receipts	20,889	-	-	20,889	20,889

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

Particulars	Carrying amour	Fair value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value:					
Loans	12,37,796	-	-	13,05,118	13,05,118
Investments	53,082	-	-	53,082	53,082
Total	**12,90,878**				
Financial liabilities not measured at fair value:					
Debt securities	1,32,816	1,32,816	-	-	1,32,816
Borrowings	17,00,657	-	-	17,00,657	17,00,657
Subordinated liabilities	1,22,141	1,22,141	-	-	1,22,141
Total	**19,55,614**				

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INR In Lakh

44 Financial instrument *(continued)*

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

Particulars	Carrying amount	Fair value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Assets:					
Loans	12,30,172	-	-	13,25,756	13,25,756
Investments	56,913	-	-	56,913	56,913
Total	**12,87,085**				
Liabilities:					
Debt securities	1,25,432	1,25,432	-	-	1,25,432
Borrowings	16,89,769	-	-	16,89,769	16,89,769
Subordinated liabilities	1,27,814	1,27,814	-	-	1,27,814
Total	**19,43,015**				

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 Company 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.

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45 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's 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 31 March 2022	As at 31 March 2021
Retail Loans	21,08,343	20,57,516
Term Loans	1,27,788	1,65,980
Repossessed loans	24,456	31,252
	22,60,587	**22,54,748**
Less : Impairment loss allowance	(83,833)	(84,837)
	21,76,754	**21,69,911**

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 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

Subsidiary Group

Days past dues status	Stage	Provisions

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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

45 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")

Probablity 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 probabilty 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. Also refer note 48.

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

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.

45 Financial risk management objectives and policies

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

Particulars	As at 31 Mar 2022				As at 31 Mar 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	17,37,676	3,97,291	1,47,790	22,82,757	15,11,014	3,49,903	2,15,820	20,76,738
Assets derecognised or repaid	(5,55,724)	(59,629)	(1,04,008)	(7,19,361)	(4,03,866)	(68,704)	(86,376)	(5,58,945)
Transfers from Stage 1 **	(3,97,582)	3,14,467	48,320	(34,796)	(1,39,204)	2,11,194	12,843	84,832
Transfers from Stage 2 **	1,03,147	(1,85,105)	81,077	(881)	97,081	(1,11,835)	22,907	8,153
Transfers from Stage 3 **	518	1,448	(1,195)	771	903	2,264	(2,675)	492
Amounts written off	-	-	(29,901)	(29,901)	-	-	(15,153)	(15,153)
New assets originated*	6,81,361	78,638	1,998	7,61,997	6,71,749	14,469	423	6,86,641
Gross carrying amount closing balance	**15,69,396**	**5,47,110**	**1,44,081**	**22,60,587**	**17,37,676**	**3,97,291**	**1,47,790**	**22,82,757**

* 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 Mar 2022				As at 31 Mar 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	4,427	9,080	71,330	84,837	6,910	1,473	82,024	90,407
Assets derecognised or repaid (excluding	(327)	(300)	(10,555)	(11,182)	5,678	9,522	(24,370)	(9,170)
Transfers from Stage 1	(2,808)	8,759	6,758	12,709	(11,517)	4,799	5,172	(1,546)
Tranfers from Stage 2	552	(4,404)	11,836	7,985	287	(7,147)	7,984	1,124
Transfers from Stage 3	10	25	1,140	1,175	5	50	650	705
New assets originated and incremental cha	642	3,072	455	4,169	1,556	383	15,022	16,961
Write offs during the year	-	-	(29,901)	(29,901)	-	-	(15,152)	(15,152)
Restructured assets	-	14,042	-	14,042	1,508	-	-	1,508
Transfer to OCI	-	-	-	-	-	-	-	-
Closing provision of ECL	2,496	30,274	51,062	83,833	4,427	9,080	71,330	84,837

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

(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.

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

The total cash credit limit available to the Group is INR 1,365 lakhs spread across 14 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.

Contractual cash flows

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INR In Lakh

As at 31 March 2022	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	3,408	3,408			
Borrowings	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	31,958	4,898
Other financial liabilities	59,673	50,070	9,603	-	-
Total	20,18,695	7,49,809	9,04,301	2,97,640	66,944
Financial assets					
Cash and Cash Equivalents	81,070	81,070	-	-	-
Bank balances other than (a) above	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
Total	24,20,342	8,45,883	8,11,527	3,30,765	4,32,168

		Contractual cash flows			
As at 31 March 2021	**Carrying amount**	**0-1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Financial liabilities					
Trade Payables	1,987	1,987	-	-	-
Borrowings	16,86,955	6,56,498	7,76,547	2,12,482	41,428
Debt Securities	1,25,432	57,173	68,259	-	-
Subordinated liabilities	1,27,814	13,788	31,982	64,715	17,329
Other financial liabilities	62,354	57,972	4,220	-	162
Total	20,04,542	7,87,418	8,81,008	2,77,197	58,919
Financial assets					
Cash and Cash Equivalents	81,871	81,871			
Bank balances other than (a) above	5,585	5,585			
Loans	21,97,920	6,80,304	9,76,480	3,22,974	2,18,162
Investments	81,951	11,911	28,739	15,309	25,992
Other financial assets	33,641	18,319	14,730	-	592
Total	24,00,968	7,97,990	10,19,949	3,38,283	2,44,746

(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	For the year ended 31 March 2022		For the year ended 31 March 2021	
Change in interest rates (25 bps)	increase	decrease	increase	decrease
Floating rate borrowings				
Floating rate loans				
Impact on profit for the year	(5,215)	5,215	(4,558)	4,558

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46 **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 it's borrowings, as hedging instruments. The Group undertakes such transactions for hedging its balance sheet. The total borrowing covered under hedged exposure is INR 8,750 lakhs and unhedged exposure to borrowing is Nil as on March 31, 2022

47 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.

48 The Board of Directors in its meeting held on March 16, 2022 approved the proposed merger of the Company with NxtDigital Limited. The said merger will be subject to the requisite approvals from various regulatory and statutory authorities, respective shareholders and creditors.

49 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.

50 **Analytical Ratios**

Ratio	Current Period	Previous Period	% Variance	Reason for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	18.75%	18.93%	-0.98%	-
Tier I CRAR	17.30%	17.37%	-0.37%	-
Tier II CRAR	1.45%	1.57%	-7.67%	-
Liquidity Coverage Ratio.	149.69%	158.96%	-5.83%	-

51 RBI vide Circular dated November 12, 2021 - "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 is taking necessary steps to comply with the norms/ changes for regulatory reporting, with effect from October 01, 2022 as clarified vide circular dated February 15. 2022. Such clarifications/ harmonization has no impact on the financial results for the quarter and year ended March 31, 2022, as the Group continues to prepare the financial results in accordance with the applicable Ind-AS guidelines and the RBI Circular dated March 13, 2020 - "Implementation of Indian Accounting Standards".

52 The Group hold immovable property and leases as on 31 March 2022 and 31 March 2021. 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 2022 and 31 March 2021.

53 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 2022 and 31 March 2021.

54 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 2022 and 31 March 2021.

55 **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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Notes to Consolidated financial statements for the year ended 31 March 2022

INR In Lakh

55 **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	31-Mar-22		31-Mar-21	
	%	Amount	%	Amount
Parent Hinduja Leyland Finance Limited	86.50%	3,54,909	91.00%	3,61,019
Subsidiary Hinduja Housing Finance Limited	13.11%	53,777	8.91%	35,340
Subsidiary Hinduja Insurance Broking and Advisory Services Limited	0.02%	98	0%	-
Associate HLF Services Limited	0.12%	506	0.09%	357
Joint venture Gro Digital Platforms Limited	0.24%	998	0%	-
Total	**100%**	**4,10,288**	**100%**	**3,96,716**

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

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	%	Amount	%	Amount
Parent Hinduja Leyland Finance Limited	68.10%	23,215	81.02%	27,010
Subsidiary Hinduja Housing Finance Limited	31.56%	10,757	18.71%	6,238
Subsidiary Hinduja Insurance Broking and Advisory Services Limited	0.00%	-1	0.00%	-
Associate HLF Services Limited	0.35%	120	0.27%	90
Joint venture Gro Digital Platforms Limited	-0.01%	-2	0.00%	-
Total	**100%**	**34,089**	**100%**	**33,338**

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

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	%	Amount	%	Amount
Parent Hinduja Leyland Finance Limited	100.27%	-20,779	99.96%	30,522
Subsidiary Hinduja Housing Finance Limited	-0.13%	27	0.04%	12
Subsidiary Hinduja Insurance Broking and Advisory Services Limited	0.00%	-	-	-
Associate HLF Services Limited	-0.14%	28	0.01%	2
Joint venture Gro Digital Platforms Limited	0.00%	-	-	-
Total	**100.00%**	**-20,724**	**100.00%**	**30,536**

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

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	%	Amount	%	Amount
Parent Hinduja Leyland Finance Limited	18.22%	2,436	90.07%	57,532
Subsidiary Hinduja Housing Finance Limited	80.68%	10,783	9.78%	6,249
Subsidiary Hinduja Insurance Broking and Advisory Services Limited	0.00%	(0.50)	0.00%	-
Associate HLF Services Limited	1.11%	148	0.14%	92
Joint venture Gro Digital Platforms Limited	0.00%	(1.66)	0.00%	-
Total	100%	13,365	100.00%	65,873

57 **Transfer pricing**

The Group has domestic transactions with related parties. The management confirms that it maintains documents required by the relevant provisions of the Income-tax Act, 1961 to prove that these transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

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58 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas as India witnessed two more waves of the COVID-19 pandemic during the year ended March 31, 2022. Currently, the number of new COVID-19 cases have reduced significantly, and the Government of India has withdrawn most of the COVID-19 related restrictions.

Currently, the number of new Covid-19 cases have reduced significantly and the Government of India has withdrawn most of the Covid-19 related restrictions. As at March 31, 2022, the Group holds an aggregate provision of ₹ 83,833 Lakh against the advances which includes additional provision of ₹ 15,012 Lakh for the accounts restructured under the RBI resolution framework.

59 **Subsequent events**

There are no significant subsequent events that have occurred after the reporting period till the date of these financial statements.

60 **Previous year figures**

Previous year figures have been restated / regrouped / re-classified wherever necessary in line with the financial results for the year ended March 31, 2022.

For and on behalf of the Board of Directors of
Hinduja Leyland Finance Limited
CIN : U65993TN2008PLC069837

Dheeraj G Hinduja
Chairman
DIN No : 00133410

S Nagarajan
Executive Vice Chairman
DIN No : 00009236

Sachin Pillai
Managing Director & CEO
DIN No : 06400793

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Group Secretary
Membership No: F5949

Place : Chennai
Date : 17 May 2022

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