

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HINDUJA LEYLAND FINANCE LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Hinduja Leyland Finance Limited** ("the Parent") and its subsidiary, (the Parent Company and its subsidiary together referred to as "the Group") which includes the Group's share of profit in its associate, comprising the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 48 to the consolidated financial statements, which describes the potential impact of the COVID-19 Pandemic on the results of the Parent and its subsidiary and consequently the Group's results are dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters, were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Description of Key Audit Matters	Auditor's Response
<p data-bbox="244 405 483 427">Key Audit Matters</p> <p data-bbox="204 432 659 454">1. Impairment of Financial Assets</p> <p data-bbox="204 459 802 741">Management estimates impairment provision using Expected Credit loss (ECL) model for the loan exposure. Recognition and measurement of impairment of loans involve significant management judgement. The Group's impairment allowance is derived from estimates including the historical default and loss ratios. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans.</p> <p data-bbox="204 775 802 969">During the year, the Group has made additional provisions after evaluating the extent to which COVID-19 pandemic may impact its overall operations and performance. Given the uncertainty over the future economic conditions, these additional provisions also involve significant management estimates/ judgements.</p> <p data-bbox="204 1003 802 1137">Further, the disclosures made in the financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL involve increased level of audit focus.</p> <p data-bbox="204 1171 802 1256">The aforesaid involves significant management estimates/ judgements and hence identified as Key Audit Matter.</p>	<p data-bbox="818 405 1074 427">Auditor's Response</p> <p data-bbox="818 432 1326 454">Principal audit procedures performed:</p> <p data-bbox="818 459 1420 654">Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate.</p> <p data-bbox="818 687 1420 741">These procedures included, but not limited, to the following:</p> <ul style="list-style-type: none"> <li data-bbox="818 763 1420 931">• We examined Board Policy approving the methodology for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Group. <li data-bbox="818 954 1420 1149">• We obtained an understanding of the model adopted by the Group for calculation of expected credit losses including how management calculated the expected credit losses and the appropriateness of the data on which the calculation is based and tested the management controls for it. <li data-bbox="818 1171 1420 1366">• We evaluated the design and operating effectiveness of controls across the processes relevant to ECL. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of model validation and production of journal entries and disclosures. <li data-bbox="818 1388 1420 1536">• We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of 31st March 2021 by reconciling it with the balances as per loan balance register and loan commitment report as on that date. <li data-bbox="818 1559 1420 1753">• We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD Test of details over calculation of impairment allowance for assessing completeness and accuracy of data. <li data-bbox="818 1776 1420 1971">• We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Group's portfolio, risk profile, credit risk management practices and the macroeconomic environment.

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	<ul style="list-style-type: none"> • We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.
<p>2. Valuation of Financial Instruments</p> <p>Financial Instruments carried at Fair value and measured at fair value through other comprehensive income, account for a significant part of the Parent's assets.</p> <p>The valuation of the Parent's financial instruments is based on a combination of market data and valuation models which often require significant management judgement. The most significant judgements are:</p> <ul style="list-style-type: none"> • Assessing the fair value of financial instruments based on the significant degree of judgement exercised by management in determining the inputs used in the valuation. 	<p>Our audit procedures in relation to fair valuation of financial instruments were focused on obtaining sufficient appropriate audit evidence as to whether the fair valuation of financial instruments recognised in the financial statements were reasonable and the related disclosures in the standalone financial statements made by the management were adequate.</p> <p>These procedures included, but not limited, to the following:</p> <ul style="list-style-type: none"> • Obtain an understanding of the fair valuation methodology and • Testing the design and operating effectiveness of controls over <ol style="list-style-type: none"> (1) the management's methodology for determining Fair Value, including consideration of the current and estimated future economic conditions (2) the completeness and accuracy of information used in determining Fair Value.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report and Corporate Governance Report (but does not include the financial statements and our auditors' report thereon) which we obtained prior to the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of 1 associate whose financial statements reflect total assets of ₹ 2,749 lakh as at March 31, 2021, total revenues of ₹ 12,996 lakh and net cash inflows amounting to ₹ 45 lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of ₹ 90 lakh for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements, subsidiary, associate referred to in the Other Matters section above we report, to the extent applicable that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent and taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary and associate company incorporated in India, none of the directors of the Group and its associate company incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**" which is based on auditor's reports of the Parent, subsidiary and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate (Refer note 37 to the consolidated financial statements);
 - ii. the Group and its associate company did not have any material foreseeable losses on long-term contracts including derivative contracts, as at the year-end;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and associate company incorporated in India.

FOR DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 21109839AAAAGS3484

Mumbai, June 3, 2021

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ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT (Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **Hinduja Leyland Finance Limited** (hereinafter referred to as "the Parent") and its subsidiary company, and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India and where such reporting under Section 143(3) of the Act is applicable, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India and where such reporting under Section 143(3) of the Act is applicable.

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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India and where such reporting under Section 143(3) is applicable, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

FOR DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No.008072S)

G. K. Subramaniam

Partner
(Membership No. 109839)
UDIN: 21109839AAAAGS3484

Mumbai, June 3, 2021



HINDUJA LEYLAND FINANCE LIMITED
Consolidated Balance Sheet as at 31 March 2021

Particulars	Note No.	INR In Lakh	
		As at 31 March 2021	As at 31 March 2020
ASSETS			
Financial Assets			
Cash and cash equivalents	6	81,871	84,269
Bank balance other than cash and cash equivalents	7	5,585	14,610
Receivables			
(i) Trade receivables		-	-
(ii) Other receivables		-	-
Loans	8	21,69,911	19,86,331
Investments	9	81,951	63,340
Other financial assets	10	61,650	59,356
		24,00,968	22,07,906
Non-Financial Assets			
Current tax assets (net)		5,952	7,604
Property, plant and equipment	11	8,564	5,156
Capital work-in-progress		38	116
Other intangible assets	11A	74	63
Right of use assets	11B	2,632	2,650
Other non-financial assets	12	5,780	2,971
		23,040	18,560
Total assets		24,24,008	22,26,466
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade payables	13		
(i) dues of micro enterprises and small enterprises		-	-
(ii) dues other than micro enterprises and small enterprises		1,987	2,139
Debt securities	14	1,31,803	88,300
Borrowings (other than debt securities)	15	16,89,769	16,21,015
Subordinated liabilities	16	1,35,163	1,31,588
Other financial liabilities	17	45,820	42,625
		20,04,542	18,85,667
Non-Financial Liabilities			
Provisions	18	540	402
Deferred tax liabilities (net)	32	21,430	7,359
Other non-financial liabilities	19	780	546
		22,750	8,307
EQUITY			
Equity share capital	20	46,978	46,975
Other equity	21	3,49,738	2,85,517
		3,96,716	3,32,492
Total Liabilities and Equity		24,24,008	22,26,466

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

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

Place : Mumbai
Date : 03 June 2021

Place : Chennai
Date : 03 June 2021



HINDUJA LEYLAND FINANCE LIMITED
Consolidated Statement of Profit and Loss for the year ended 31 March 2021

INR In Lakh			
Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations			
Interest income	22	2,73,806	2,86,810
Fees and commission income	23	3,832	5,465
Net gain on fair value changes		3,542	-
Net gain on derecognition of financial instruments	24	20,081	18,751
Total revenue from operations		3,01,261	3,11,026
Other Income	25	4,069	2,615
Total revenue		3,05,330	3,13,641
Expenses			
Finance costs	26	1,56,551	1,66,545
Fees and commission expense	27	3,778	8,722
Impairment on financial instruments	28	75,287	63,034
Employee benefits expenses	29	16,838	15,978
Depreciation, amortization and impairment	30	1,964	1,161
Others expenses	31	7,688	10,183
Total expenses		2,62,106	2,65,623
Profit before share of profit of equity accounted investee and income tax		43,224	48,018
Share of profit of equity accounted investee (net of income tax)		90	65
Profit before tax		43,314	48,083
Tax expense:			
Current tax		12,617	12,235
Deferred tax	32	(2,018)	3,127
Tax pertaining to earlier years		(623)	-
		9,976	15,362
Net profit for the year		33,338	32,721
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(15)	(85)
(ii) Income tax relating to items that will not be reclassified to profit or loss		6	(68)
(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)		40,818	26,482
(ii) Income tax relating to items that will be reclassified to profit or loss		(10,274)	(3,326)
Total other comprehensive income		30,535	23,003
Total comprehensive income		63,873	55,724
Earnings per equity share (face value Rs.10 each)			
- Basic (in Rs.)	33	7.10	6.97
- Diluted (in Rs.)		7.09	6.96

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

Dheeraj G Hinduja
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DIN No : 00133410

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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

Place : Mumbai
Date : 03 June 2021

Place : Chennai
Date : 03 June 2021



HINDUJA LEYLAND FINANCE LIMITED
Consolidated cash flow statement for the year ended 31 March 2021

	Year ended 31 Mar 2021	Year ended 31 Mar 2020
INR In Lakh		
A. Cash flow from operating activities		
Net profit before tax	43,314	48,083
Adjustments:		
Depreciation and amortization	1,964	1,161
Provision for employee benefits	123	150
Provision for expected credit loss and amounts written off	72,296	60,883
Impairment loss on other receivables	2,991	2,151
Share based payment	336	-
Amortisation of discount on commercial papers	307	7,788
Amortisation of ancillary costs relating to borrowings	1,831	2,168
Operating cash flow before working capital changes	1,23,162	1,22,384
Adjustments for (Increase) / Decrease in operating assets:		
Trade Receivables	-	-
Other receivables	(2,991)	(9,060)
Loans	(2,15,061)	(1,48,031)
Other financial assets	(2,294)	46,947
Other non- financial assets	(2,809)	(1,411)
Adjustments for Increase / (Decrease) in operating Liabilities:		
Trade payables	(152)	1,782
Other financial liabilities	3,195	(2,733)
Other non financial liabilities	234	(117)
Net cash (used in) operations	(96,716)	9,761
Taxes paid (net)	(4,519)	(12,377)
Net cash (used in) operating activities (A)	(1,01,235)	(2,616)
B. Cash flow from investing activities		
Investment in pass through securities (net)	(19,227)	23,559
Investment in redeemable non-convertible debentures (net)	616	33,126
Bank deposits (having original maturity of more than three months)	9,025	(2,770)
Purchase of fixed assets (tangible and intangible assets) including capital work-in-progress	(5,287)	(4,007)
Net cash (used in) investing activities (B)	(14,873)	49,908
C. Cash flow from financing activities		
Proceeds from issue of equity shares including securities premium (net)	15	44
Proceeds from borrowings	7,34,577	6,39,678
Repayments of borrowings	(6,42,786)	(5,15,234)
Proceeds from working capital loan / cash credit and commercial paper (net)	21,904	(1,12,865)
Net cash from financing activities (C)	1,13,710	11,623
Net increase in cash and cash equivalents (A+B+C)	(2,398)	58,915
Cash and cash equivalents at the beginning of the year	84,269	25,354
Cash and cash equivalents at the end of the year	81,871	84,269



HINDUJA LEYLAND FINANCE LIMITED
Consolidated cash flow statement for the year ended 31 March 2021

INR In Lakh

	Note	As at 31 Mar 2021	As at 31 Mar 2020
Components of cash and cash equivalents	6		
Cash and cheques on hand		27,460	5,983
Balances with banks		54,411	78,286
		81,871	84,269
Operational cash flows from interest and dividends			
Interest paid		1,52,156	1,62,243
Interest received		5,219	11,336

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

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

G.K.Subramaniam
Partner

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 **B Shanmugasundaram**
Chief Financial Officer Company Secretary
Membership No: F5949

Place : Mumbai
Date : 03 June 2021

Place : Chennai
Date : 03 June 2021



HINDUJA LEYLAND FINANCE LIMITED
Statement of Changes in Equity for the year ended 31 March 2021

A Equity share capital

Particulars	INR In Lakh	
	Number of shares	Amount
Balance as at 1 April 2019	46,96,70,990	46,967
Change in equity share capital during the year		
Add: Issued during the year	81,500	8
Balance as at 31 March 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

B Other equity	Reserves and Surplus				Other items of other comprehensive income	Total
	Statutory reserves	Securities premium	Other reserves - Employee stock option outstanding account	Retained earnings		
Balance as at 1 April 2019	24,240	96,211	293	86,336	22,677	2,29,757
Share based expenses	-	-	-	-	-	-
Premium on issue of share capital	-	36	-	-	-	36
Profit for the year	-	-	-	32,721	-	32,721
Transfer to / from reserve	6,544	-	-	(6,544)	-	(0)
Other comprehensive income (net of tax)	-	-	-	-	23,003	23,003
Balance as at 31 March 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)	-	-
Other comprehensive income (net of tax)	-	-	-	-	30,535	30,535
Balance as at 31 March 2021	37,452	96,656	232	1,39,183	76,215	3,49,738

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

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Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Mumbai
Date : 03 June 2021

Place : Chennai
Date : 03 June 2021



HINDUJA LEYLAND FINANCE LIMITED

Notes to consolidated financial statements for year ended 31 March 2021

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

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 Asset Finance Company status pursuant to certificate of registration received from RBI dated 12 May 2014 with registration number N-07.00782.

The subsidiary and associate of the Group are listed below:

Name of the Group	Relationship	Percentage holding
Hinduja Housing Finance Limited*	Subsidiary company	100%
HLF Services Limited	Associate company	45.90%

* - 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 Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented separately.

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

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

2.3 Functional and presentation currency

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



HINDUJA LEYLAND FINANCE LIMITED

Notes to consolidated financial statements for year ended 31 March 2021

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

2.4 Basis of measurement

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

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

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

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

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

2.5 Use of estimates and judgments

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

i) Business model assessment

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



HINDUJA LEYLAND FINANCE LIMITED

Notes to consolidated financial statements for year ended 31 March 2021

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

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

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.



HINDUJA LEYLAND FINANCE LIMITED

Notes to consolidated financial statements for year ended 31 March 2021

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

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 associates.

The Financial statements of the Subsidiaries and Associates used in the consolidation are drawn up to the same reporting date as that of the holding company i.e. 31 March 2021.

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

Notes to consolidated financial statements for year ended 31 March 2021

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

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

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 customer. 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. 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.



HINDUJA LEYLAND FINANCE LIMITED

Notes to consolidated financial statements for year ended 31 March 2021

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

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

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.

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.



HINDUJA LEYLAND FINANCE LIMITED

Notes to consolidated financial statements for year ended 31 March 2021

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

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 2021 and 31 March 2020.

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

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

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

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:



HINDUJA LEYLAND FINANCE LIMITED

Notes to consolidated financial statements for year ended 31 March 2021

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

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, 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%.



HINDUJA LEYLAND FINANCE LIMITED
Notes to consolidated financial statements for year ended 31 March 2021
(All amounts are in Indian Rupees in lakh, except share data and as stated)

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.

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

4.9 Fair value

i) Fair value hierarchy

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

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There were no transfers between levels 1, 2 and 3 during the year.

The Group recognises transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

ii) Valuation process

The management of the Group performs the valuations of financial assets and liabilities required for financial reporting purposes.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

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

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

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

Valuation processes and Technique

Type of Instrument	Reference Price
Investment in Mutual Funds	NAV as on the reporting date.
Investment in Equity Shares	Quoted price on exchange as on the reporting date.



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Notes to consolidated financial statements for year ended 31 March 2021
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4.10 Foreign currency transactions

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

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

4.11 Property, plant and equipment

i. Recognition and measurement

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

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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.

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.



HINDUJA LEYLAND FINANCE LIMITED
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4.12 Intangible assets

i. Intangible assets

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

ii. Subsequent expenditure

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

iii. Amortisation

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

Asset category	Estimated Useful life
Computer softwares	5 years

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

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.



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Notes to consolidated financial statements for year ended 31 March 2021

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

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

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.



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4.16 Leases

Operating lease:

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

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

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

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

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

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

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

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

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

Lease liability has been presented in Note 17 “Other Financial Liabilities” and ROU asset has been presented in Note 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



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4.17 Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

4.18 Borrowing cost

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

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

4.19 Cash and cash equivalents

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

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



HINDUJA LEYLAND FINANCE LIMITED

Notes to consolidated financial statements for year ended 31 March 2021

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

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

No new standards as notified by Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules are effective for the current year.



HINDUJA LEYLAND FINANCE LIMITED
Notes to consolidated financial statements for year ended 31 March 2021

INR In Lakh

6 Cash and cash equivalents

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
Cash on hand	7,545	1,318
Balances with banks	54,411	78,286
Cheques, drafts on hand	19,915	4,665
Total	81,871	84,269

7 Bank balance other than cash and cash equivalents

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
Bank deposits	5,585	14,610
Total	5,585	14,610

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 5,272 Lakh (31 March 2020 : INR 14,336 Lakh) (Refer note 15)



HINDUJA LEYLAND FINANCE LIMITED
Notes to consolidated financial statements for year ended 31 March 2021

8 Loans

Particulars	INR In Lakh					
	As at 31 Mar 2021			As at 31 Mar 2020		
	At Amortised cost	At fair value through other comprehensive income	Total	At Amortised cost	At fair value through other comprehensive income	Total
A. Based on nature						
(I) Retail loans	10,04,931	10,52,585	20,57,516	10,61,341	6,98,932	17,60,273
Term Loans	1,65,980	-	1,65,980	2,21,799	-	2,21,799
	11,70,911	10,52,585	22,23,496	12,83,140	6,98,932	19,82,072
Less : Impairment loss allowance	(71,339)	-	(71,339)	(60,955)	4,034	(56,921)
Total (I)-Net	10,99,572	10,52,585	21,52,157	12,22,185	7,02,966	19,25,151
(II) Repossessed loans	31,252	-	31,252	94,666	-	94,666
	31,252	-	31,252	94,666	-	94,666
Less : Impairment loss allowance	(13,498)	-	(13,498)	(33,486)	-	(33,486)
Total (I)-Net	17,754	-	17,754	61,180	-	61,180
Total (I) and (II)	11,17,326	10,52,585	21,69,911	12,83,365	7,02,966	19,86,331
B. Based on Security						
(i) Secured by tangible assets	12,02,163	10,52,585	22,54,748	12,83,140	6,98,932	20,76,738
(ii) Unsecured	-	-	-	-	-	-
Total Gross Loans	12,02,163	10,52,585	22,54,748	12,83,140	6,98,932	20,76,738
Less: Impairment loss allowance	(84,837)	-	(84,837)	(94,441)	4,034	(90,407)
Total Net Loans	11,17,326	10,52,585	21,69,911	11,88,698	7,02,966	19,86,331
C. Based on region						
(I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	12,02,163	10,52,585	22,54,748	12,83,140	6,98,932	20,76,738
Total Gross	12,02,163	10,52,585	22,54,748	12,83,140	6,98,932	20,76,738
Less: Impairment loss allowance	(84,837)	-	(84,837)	(94,441)	4,034	(90,407)
Total (I)-Net	11,17,326	10,52,585	21,69,911	11,88,698	7,02,966	19,86,331
(II) Loans outside India						
Loans outside India	-	-	-	-	-	-
Total (I) and (II)	11,17,326	10,52,585	21,69,911	11,88,698	7,02,966	19,86,331

Notes :

- 1 Security details
 - a) Retail loans are secured exposures that are secured by assets hypothecated to the group.
 - b) Term loans are secured exposures that are secured by assets/ underlying portfolio provided to the group by the borrower.
- 2 The Group has derecognised certain financial assets on account of assignment without recourse. However, the group has retained 10% of the financial assets and below are the disclosures of assets and liabilities associated with the continuing involvement in the financial assets.

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
Carrying amount of the assets that represents the entity's continuing involvement in the derecognised financial assets	95,929	59,797
Carrying amount of the associated liabilities	-	-
Maximum exposure to loss from company's continuing involvement in the derecognised financial assets	95,929	59,797
Fair Value (FV) of assets of the assets that represents the entity's continuing involvement in the derecognised	1,05,259	64,287
Fair value of associated liabilities	-	-
Net position at FV	1,05,259	64,287
Gain or loss recognised at the date of transfer of the assets	20,081	18,751



HINDUJA LEYLAND FINANCE LIMITED
Notes to consolidated financial statements for year ended 31 March 2021

9 Investments **INR In Lakh**

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
	at amortised cost	
Investments in equity instruments of associate		
HLF Services Limited	357	266
<i>Measured at fair value through profit and loss</i>		
Investment in equity shares (quoted)		
Investment in equity shares	3,807	-
<i>Measured at amortised cost</i>		
Investment in debentures (quoted)		
Non-convertible redeemable debentures	3,045	7,750
Investment in debentures (unquoted)		
Non-convertible redeemable debentures	6,346	2,257
Investment in pass-through certificates (unquoted)		
Investment in pass-through certificates	38,372	45,072
Investment in security receipts (unquoted)		
Investment in security receipts	20,889	-
Investment in funds (unquoted)		
Investment in alternative investment funds	8,150	8,000
Investment in Alternative Investment Fund		
Vivriti samarath bond fund	1,001	-
Gross Investments	81,967	63,345
 (i) Investments outside India		
(ii) Investments in India	81,967	63,345
Gross Investments	81,967	63,345
Less: Provision for diminution in value of investments	(16)	(5)
Total	81,951	63,340

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

(i) Cost of investment (including Goodwill of INR NIL) on consolidatio	2	2
(ii) Share of profits	355	264
Total	357	266

Aggregate market value of quoted investments 6,852 7,750



HINDUJA LEYLAND FINANCE LIMITED
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INR In Lakh

10 Other financial assets

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
Receivables from related parties		
Dues from HLF Services Limited (Associate Company)	-	5,186
Dues from Gulf Ashley Motors Limited (Fellow Subsidiary)	-	-
Dealer trade advances (Unsecured, considered good)	28,009	29,660
Employee advances	83	105
Security deposits	575	557
Other receivables	4,492	1,308
Receivable from assigned loans	28,491	22,540
Total	61,650	59,356



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INR In Lakh

11 Property, plant and equipment and capital work in progress

Particulars	Freehold land*	Buildings	Plant and machinery	Servers and computers	Furniture and fittings	Motor vehicles	Office equipment	Leasehold improvements	Total
Cost or deemed cost (gross carrying amount)									
Gross block									
As at 1 April 2019	2,066	1,639	57	1,239	473	568	99	250	6,391
Additions				713	82	48	22	95	960
Deletions		175		14		8			197
As at 31 March 2020	2,066	1,464	57	1,938	555	608	121	345	7,154
Additions	3,935	-		146	6	-	8	39	4,134
Deletions	-	-		15	-	117	-	-	132
As at 31 March 2021	6,001	1,464	57	2,069	561	491	129	384	11,156
Accumulated depreciation									
As at 1 April 2019	-	171	35	499	141	273	44	121	1,284
Depreciation for the year		33		443	72	88	30	82	748
Deletion		19		7		8			34
As at 31 March 2020	-	185	35	935	213	353	74	203	1,998
Depreciation for the year		27		436	66	74	28	82	713
Deletion		-		7	-	112	-	-	119
As at 31 March 2021	-	212	35	1,364	279	315	102	285	2,592
Carrying amount (net)									
As at 31 March 2020	2,066	1,279	22	1,003	342	255	47	142	5,156
As at 31 March 2021	6,001	1,252	22	705	282	176	27	99	8,564

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



HINDUJA LEYLAND FINANCE LIMITED
Notes to Consolidated financial statements for the year ended 31 March 2021

	INR In Lakh	
Particulars	Computer Software	Total
As at 1 April 2019	62	62
Additions	46	46
Deletions	-	-
As at 31 March 2020	108	108
Additions	35	35
Deletions	-	-
As at 31 March 2021	143	143
Accumulated depreciation		
As at 1 April 2019	30	30
Depreciation for the year	15	15
Deletions	-	-
As at 31 March 2020	45	45
Depreciation for the year	24	24
Deletions	-	-
As at 31 March 2021	69	69
Carrying amount (net)		
As at 31 March 2020	63	63
As at 31 March 2021	74	74



HINDUJA LEYLAND FINANCE LIMITED
Notes to Consolidated financial statements for the year ended 31 March 2021

INR In Lakh

11B Right of use asset

Particulars	Right of use asset	Total
Gross block		
As at 1 April 2019	-	-
Additions	3,048	3,048
Deletion	-	-
As at 31 March 2020	3,048	3,048
Additions	1,210	1,210
Deletion	-	-
As at 31 March 2021	4,258	4,258
Accumulated amortisation		
As at 1 April 2019	-	-
Amortisation for the year	398	398
Deletion	-	-
As at 31 March 2020	398	398
Amortisation for the year	1,228	1,228
Deletion	-	-
As at 31 March 2021	1,626	1,626
Carrying amount (net)		
As at 31 March 2020	2,650	2,650
As at 31 March 2021	2,632	2,632



HINDUJA LEYLAND FINANCE LIMITED
Notes to Consolidated financial statements for the year ended 31 March 2021

12 Other non-financial assets

INR In Lakh

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
Prepaid expenses	3,189	1,695
Balance receivable from government authorities	2,591	1,276
Total	5,780	2,971

13 Payables

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
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	1,987	2,139
Total	1,987	2,139

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 2021	As at 31 Mar 2020
(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	-	-



HINDUJA LEYLAND FINANCE LIMITED
Notes to consolidated financial statements for year ended 31 March 2021

INR In Lakh

14 Debt securities

Particulars	As at 31 March 2021	As at 31 Mar 2020
Measured at amortised cost:		
Secured		
12,550 (31 March 2020: 8,010) Redeemable non-convertible debentures (refer note 14.1 & 14.2)	1,31,803	88,300
Total (A)	1,31,803	88,300
Debt securities in India	1,31,803	88,300
Debt securities outside India	-	-
Total (A)	1,31,803	88,300
Total (A+B)	1,31,803	88,300

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) 12,550 (31 March 2020: 8,010) debentures were issued with a face value of Rs. 1,000,000/-. As at 31 March 2021 these debentures carry interest rates ranging from 8.00% 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 2021	As at 31 Mar 2020
Secured borrowings		
Term Loan from banks and financial institution (refer note 15.1, 15.2 & 15.3)	15,89,552	15,16,511
Pass through certificates (refer note 7.2)	24,635	51,133
Cash credit and working capital demand loans from banks (refer note 15.1)	75,582	53,371
Total	16,89,769	16,21,015
Borrowings in India	16,89,769	16,21,015
Borrowings outside India	-	-
Total	16,89,769	16,21,015
Total	16,89,769	16,21,015



HINDUJA LEYLAND FINANCE LIMITED
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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". The facilities may also carry interest linked with other benchmark like T-bill rates or Repo rates or other benchmark. As at 31 March 2021, the rate of interest across the loans was in the range of 5.25% p.a to 9.43% 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 2021	As at 31 Mar 2020
Measured at amortised cost:		
Subordinated redeemable non-convertible debentures (refer 16.1)	1,27,663	1,24,088
Other sub-ordinated unsecured loans (refer note 16.2)	7,500	7,500
Total (A)	1,35,163	1,31,588
Subordinated Liabilities in India	1,35,163	1,31,588
Subordinated Liabilities outside India	-	-
Total (B)	1,35,163	1,31,588

16.1 Details relating to subordinated redeemable non-convertible debentures

12,100 (31 March 2020: 11,750) debentures were issued with a face value of Rs. 1,000,000/-. These debentures carry interest rates ranging from 9.20% p.a. to 11.60% p.a. and the redemption period is 5 to 7 years.

The aforesaid debentures are listed at Bombay Stock Exchange.

16.2 Details relating to Other sub-ordinated unsecured loans

As at 31 March 2021, the Unsecured subordinated loans carries interest rate is 11.31% p.a. and the redemption period is 5 years.



HINDUJA LEYLAND FINANCE LIMITED
Notes to consolidated financial statements for year ended 31 March 2021

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	1,663	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 - 2	8,750	Repayable in 7 Quarterly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 3	10,000	Repayable in 8 Quarterly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 4	30,000	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 - 5	9,500	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 - 6	13,200	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 - 7	30,000	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 - 8	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 - 9	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 - 10	13,333	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 - 11	25,000	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 - 12	2,667	Repayable in 12 Monthly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.



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Notes to consolidated financial statements for year ended 31 March 2021

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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 - 13	12,500	Repayable in 5 Quarterly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 14	21,875	Repayable in 7 Quarterly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 15	604	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 - 16	21,875	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 - 17	37,500	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 - 18	42,107	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 - 19	13,499	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 - 20	16,874	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 - 21	15,554	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 - 22	28,125	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 - 23	6,250	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 - 24	6,142	Repayable in 52 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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Notes to consolidated financial statements for year ended 31 March 2021

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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	2,500	Repayable in 1 Half yearly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 26	5,455	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	3,182	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 - 28	7,500	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 - 29	50,000	Repayable in 8 Quarterly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 30	20,000	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 - 31	3,746	Repayable in 1 Half yearly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 32	28,125	Repayable in 15 Quarterly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 33	1,250	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 - 34	18,748	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 - 35	28,115	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 - 36	13,731	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.



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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	11,996	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 - 38	28,116	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 - 39	10,000	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 - 40	25,000	Repayable in 5 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	10,999	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 - 42	8,250	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 - 43	9,083	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 - 44	4,500	Repayable in 18 Quarterly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 45	9,500	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 - 46	7,125	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 - 47	26,125	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 - 48	59,483	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.



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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 - 49	41,393	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 - 50	20,000	Repayable in 20 Quarterly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 51	5,625	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 - 52	7,500	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 - 53	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 - 54	17,500	Repayable in 7 Quarterly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 55	37,497	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 - 56	50,000	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 - 57	25,000	Repayable in 4 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 - 58	20,000	Repayable in 8 Quarterly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 59	20,000	Repayable in 16 Quarterly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 60	5,826	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.



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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 - 61	4,850	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 - 62	16,250	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 - 63	16,250	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 - 64	10,750	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	10,000	Repayable in 11 Quarterly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 66	32,500	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 - 67	8,750	Repayable in 1 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 - 68	10,000	Repayable in 1 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 - 69	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 - 70	3,995	Repayable in 4 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 - 71	7,000	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 - 72	417	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.



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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 - 73	833	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 - 74	2,500	Repayable in 4 Quarterly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 75	417	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 - 76	3,750	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 - 77	5,833	Repayable in 15 Monthly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 78	4,583	Repayable in 33 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	4,583	Repayable in 33 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	9,429	Repayable in 33 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 - 81	9,706	Repayable in 33 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 - 82	30,000	Repayable in 36 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 - 83	4,000	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 - 84	8,667	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.



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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 - 85	4,333	Repayable in 13 Quarterly Instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.
Term Loan - 86	29,952	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 - 87	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 - 88	5,000	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 - 89	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.
EIR adjustments	381		
Total Term Loans from Banks	13,93,783		



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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 - 1	14,355	Repayable in 96 Equal Monthly installments Remaining no. of installments: 69	Exclusive charge on Specific receivables
Term loan - 2	3,684	Repayable in 57 Equal Monthly installments Remaining no. of installments: 42	Exclusive hypothecation of standard receivables
Term loan - 3	11,288	Repayable in 31 Equal Quarterly installments Remaining no. of installments: 28	Exclusive charge on the company's receivables
Term loan - 4	6,774	Repayable in 31 Equal Quarterly installments Remaining no. of installments: 28	Exclusive charge on the priority sector receivables (housing) (created out of loan proceeds)
Term loan - 5	9,284	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 26	Exclusive charge on the receivables
Term loan - 6	8,925	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 25	Exclusive floating charge on specific book debts and future receivables
Term loan - 7	8,212	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 23	Exclusive charge on receivables of the company
Term loan - 8	4,099	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 23	Exclusive Floating charge on specific book debts and future receivables
Term loan - 9	6,409	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 18	Exclusive charge on receivables of the company
Term loan - 10	823	Repayable in 31 Equal Quarterly installments Remaining no. of installments: 17	Exclusive charge on specific receivables / book debts other than those specifically charged to other lenders
Term loan - 11	6,669	Repayable in 24 Equal Quarterly installments Remaining no. of installments: 16	Exclusive charge on specific receivables
Term loan - 12	5,000	Repayable in 20 Equal Quarterly installments Remaining no. of installments: 20	Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.
Term loan - 13	1,285	Repayable in 31 Equal Quarterly installments Remaining no. of installments: 16	Exclusive charge on specific receivables / book debts other than those specifically charged to other lenders
Term loan - 14	4,372	Repayable in 24 Equal Quarterly installments Remaining no. of installments: 14	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	1,625	Repayable in 24 Equal Quarterly installments Remaining no. of installments: 13	Exclusive charge on specific loan receivables
Term loan - 16	13,200	Repayable in 20 Equal Quarterly installments Remaining no. of installments: 11	Exclusive Charge on Book debts



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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	1,500	Repayable in 20 Equal Quarterly installments Remaining no. of installments: 10	Exclusive charge on Specific receivables
Term loan - 18	5,625	Repayable in 16 Equal Quarterly installments Remaining no. of installments: 9	Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.
Term loan - 19	2,083	Repayable in 12 Equal Quarterly installments Remaining no. of installments: 5	Hypothecation of exclusive charge on specific receivables
Term loan - 20	1,250	Repayable in 12 Equal Quarterly installments Remaining no. of installments: 3	Hypothecation of exclusive charge on specific receivables
Term loan - 21	1,250	Repayable in 8 Equal Half-yearly installments Remaining no. of installments: 2	Exclusive charge on specific loan receivables
Term loan - 22	8,887	Repayable in 72 Equal Monthly installments Remaining no. of installments: 64	Exclusive charge on specific receivables
Term loan - 23	19,987	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 28	Exclusive charge on the receivables
Term loan - 24	7,500	Repayable in 18 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 - 25	12,499	Repayable in 81 Equal Monthly installments Remaining no. of installments: 81	Exclusive charge on specific receivables
Term loan - 26	7,488	Repayable in 81 Equal Monthly installments Remaining no. of installments: 81	Exclusive charge on the priority sector receivables (housing)
Term loan - 27	1,999	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 - 28	10,000	Repayable in 26 Equal Quarterly installments Remaining no. of installments: 26	Exclusive charge on the receivables
Term loan - 29	10,000	Repayable in 60 Equal Monthly installments Remaining no. of installments: 60	Exclusive charge on the priority sector receivables (housing)
Total Term Loans from Banks	1,96,073		

Note:

Maturity profile above is disclosed at face value which excludes the impact of effective rate of interest and interest accrued amounting to INR 304.04 Lakh (31 March 2020 - INR 209.02 Lakh)



HINDUJA LEYLAND FINANCE LIMITED
Notes to consolidated financial statements for year ended 31 March 2021

17 Other financial liabilities

INR In Lakh

Particulars	As at	As at
	31 Mar 2021	31 Mar 2020
Payable to assignees towards collections in assigned assets	28,351	23,205
Interest participation payable	12,660	11,772
Dealer payables	-	3,509
Payable to employees	1,370	1,303
Lease liability	2,764	2,608
Other payable	675	228
Total	45,820	42,625

18 Provisions

Particulars	As at	As at
	31 Mar 2021	31 Mar 2020
Provision for employee benefits		
- gratuity	259	234
- compensated absences	280	168
Total	540	402

19 Other non-financial liabilities

Particulars	As at	As at
	31 Mar 2021	31 Mar 2020
Statutory liabilities	780	546
Total	780	546



HINDUJA LEYLAND FINANCE LIMITED
Notes to consolidated financial statements for year ended 31 March 2021

20 Equity share capital INR In Lakh

	As at 31 Mar 2021	As at 31 Mar 2020
Authorised		
622,907,700 (31 March 2020: 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 2020 : 469,752,490) equity shares of INR 10/- each	46,978	46,975
	46,978	46,975

Notes:

a) Reconciliation of number of Equity shares subscribed

	As at 31 Mar 2021		As at 31 Mar 2020	
	No. of shares	Amount in Lakhs	No. of shares	Amount in Lakhs
Equity shares				
At the commencement of the year	46,975,52,490	46,975	46,96,70,990	46,967
Add: Shares issued during the year	30,000	3	81,500	8
At the end of the year	46,97,82,490	46,978	46,97,52,490	46,975

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 2021		As at 31 March 2020	
	No. of shares	% held	No. of shares	% held
Equity shares				
Ashok Leyland Limited; Holding company	32,32,46,338	68.81%	31,56,42,021	67.19%

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

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% held	No. of shares	% held
Equity shares				
Ashok Leyland Limited; holding company	32,32,46,338	68.81%	31,56,42,021	67.19%
IndusInd International Holdings Limited	7,89,79,303	16.81%	7,89,79,303	16.81%
Hinduja Automotive Limited	4,32,88,239	9.21%	98,44,321	2.10%
Hinduja Power Limited	50,00,000	1.06%	2,57,86,550	5.49%

e) Shares reserved for issue under employee stock option plan

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Under Employee stock option scheme, 2013, at an exercise price as determined by the Nomination and Remuneration Committee	1,86,64,748	1,866	1,99,06,191	1,991

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 2021, 2,440,000 (31 March 2020: 2,864,500) equity shares issued under employee stock option plan for which only exercise price has been received in cash.



HINDUJA LEYLAND FINANCE LIMITED
Notes to consolidated financial statements for year ended 31 March 2021

21 Other Equity

INR In Lakh

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
a) Securities premium account		
Balance at the beginning of the year	96,247	96,211
Add: Premium on issue of shares	12	36
Add: Transferred from Employee Stock Option Outstanding account	397	-
Balance at the end of the year	<u>96,656</u>	<u>96,247</u>
b) Employee stock option outstanding account		
Balance at the beginning of the year	293	293
Add: Share based payment expense for the year	336	-
Less: Transferred to securities premium	(397)	-
Balance at the end of the year	<u>232</u>	<u>293</u>
c) Statutory reserves		
(As per Section 45-IC of Reserve Bank of India Act, 1934)		
Balance at the beginning of the year	30,784	24,240
Add: Amount transferred from surplus in statement of profit and loss	6,668	6,544
Balance at the end of the year	<u>37,452</u>	<u>30,784</u>
d) Retained earnings (Surplus in Statement of Profit and Loss)		
Balance at the beginning of the year	1,12,513	86,336
Add: Profit for the year	33,338	32,721
Less :Transferred to Statutory Reserve	(6,668)	(6,544)
Balance at the end of the year	<u>1,39,183</u>	<u>1,12,513</u>
e) Other comprehensive income		
Balance at the beginning of the year	45,680	22,677
Add: Comprehensive Income for the year	30,535	23,003
Balance at the end of the year	<u>76,215</u>	<u>45,680</u>
Total (a+b+c+d+e)	<u>3,49,738</u>	<u>2,85,517</u>

Nature and purpose of reserve

Securities premium

Securities premium reserve 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.

**HINDUJA LEYLAND FINANCE LIMITED**

Notes to consolidated financial statements for year ended 31 March 2021

22 Interest income

INR In Lakh

Particulars	Year ended 31 Mar 2021			Year ended 31 Mar 2020		
	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	73,778	1,94,376	2,68,154	82,502	1,92,960	2,75,462
- Interest on investment in pass through certificates	-	4,374	4,374	-	7,380	7,380
- Interest income on investment in debentures	-	845	845	-	3,956	3,956
- Interest income on lease assets	-	23	23	-	12	12
- Interest on CD	-	410	410	-	-	-
Total	73,778	2,00,028	2,73,806	82,502	2,04,308	2,86,810

23 Fees and commission Income

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Other charges	3,832	5,465
Total	3,832	5,465

24 Net gain on derecognition of financial instruments

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Income on assignment of loans	20,081	18,751
Total	20,081	18,751

25 Income from other services

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Interest on fixed deposits	3,371	2,541
Other income (refer note below)	698	74
Total	4,069	2,615

Note: Interest on income tax refund amounting to INR 676 lakh



HINDUJA LEYLAND FINANCE LIMITED
Notes to consolidated financial statements for year ended 31 March 2021

INR In Lakh

26 Finance Costs

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Finance costs on financial liabilities measured at amortised cost		
Interest on borrowings		
- term loans from banks	1,26,012	1,21,014
- cash credits and working capital demand loans	4,383	6,689
- securitised portfolio	3,225	2,622
Interest on debt securities	8,572	11,797
Interest on subordinated liabilities	12,043	14,382
Amortisation of discount on commercial papers	307	7,788
Amortisation of ancillary costs relating to borrowings	1,831	2,168
Interest on lease assets	178	85
Total	1,56,551	1,66,545

27 Fees and commission expense

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Service provider and sourcing expenses	3,778	8,722
	-	-
Total	3,778	8,722

28 Impairment on financial instruments

Particulars	Year ended 31 Mar 2021		Year ended 31 Mar 2020	
	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	-	72,296	4,034	56,849
Impairment loss on EIS receivable	-	2,991	-	2,151
Total	-	75,287	4,034	59,000
Total impairment of financial assets		75,287		63,034

29 Employee Benefits Expenses

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Salaries, wages and bonus	15,424	14,826
Contribution to provident, gratuity and other funds	969	879
Staff welfare expenses	109	273
Employee stock option expenses	336	-
Total	16,838	15,978



HINDUJA LEYLAND FINANCE LIMITED
Notes to consolidated financial statements for year ended 31 March 2021

INR In Lakh

30 Depreciation and amortization

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Depreciation of property, plant and equipment	712	748
Amortisation of intangible assets	24	15
Depreciation on right of use assets	1,228	398
Total	1,964	1,161

31 Other expenses

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Legal and professional charges	2,369	2,437
Rent (refer note 40)	480	1,423
Communication expenses	568	791
Insurance	436	365
Electricity charges	216	285
Rates and taxes	283	229
Office maintenance	246	557
Repairs and maintenance	264	208
Bank charges	154	273
Printing and stationery	321	475
Travelling and conveyance	698	1,385
Auditor remuneration (refer note 31.1)	143	120
Meeting and conference expenses	24	72
Commission to directors	191	168
Sitting fees to directors	101	80
Expenditure on corporate social responsibility (refer note 41)	548	705
Miscellaneous expenses	646	610
Total	7,688	10,183

31.1 Payments to auditor (excluding goods and services tax)

(a) As auditor:		
Statutory audit	65	55
Tax audit	4	3
Limited review	21	18
Consolidation	13	10
(b) In other capacity:		
Certification	10	8
Other services	25	21
(c) Reimbursement of expenses	5	5
	143	120



HINDUJA LEYLAND FINANCE LIMITED
Notes to Consolidated Financial Statements for year ended 31 March 2021

INR In Lakh

32 Income Tax

The components of income tax expense for the years ended 31 March 2021 and 2020 are:

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Current tax	12,617	12,235
Deferred tax	(2,018)	3,127
Tax pertaining to earlier years	(623)	-
Total tax charge	9,976	15,362

32.1 Income tax recognised in other comprehensive income

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Current tax	-	-
Deferred tax	-	-
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	6	(68)
Gain/(Loss) on fair valuation of loans	(10,274)	(3,326)
Total income tax recognised in other comprehensive income	(10,268)	(3,394)

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 2021 and 2020 is, as follows:-

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Accounting profit before tax	43,224	48,018
Applicable tax rate	25.17%	25.17%
Computed tax expense	10,879	12,085
Tax effect of :		
Permanent differences	(903)	3,277
Tax expenses recognised in the statement of profit and loss	9,976	15,362
Effective tax rate	23.08%	31.99%

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% for Hinduja Leyland Finance Limited and 25.17% for Hinduja Housing Finance Company Limited for the year 31 March 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 31 March 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 upfront	-	(344)	-	(344)
Others	0	(99)	-	(99)
Total	(7,359)	(3,804)	(10,267)	(21,430)

Component of Deferred tax asset / (liability)	As at 31 March 2019	Statement of profit and loss	Other comprehensive income	As at 31 March 2020
Deferred tax asset / (liability) in relation to:				
Fixed assets	84	(44)	-	40
Impact of fair value of assets	(12,120)	-	(3,326)	(15,446)
Impairment on financial assets	16,032	(2,430)	-	13,602
Provision for employee benefits	162	(12)	(68)	82
Impact on other receivables	(5,462)	(211)	-	(5,673)
Impact on leases	-	36	-	36
Others	519	(519)	-	0
Total	(785)	(3,180)	(3,394)	(7,359)



HINDUJA LEYLAND FINANCE LIMITED
Notes to Consolidated financial statements for the year ended 31 March 2021

INR In Lakh

33 Earnings per share ('EPS')

	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Earnings		
Net profit attributable to equity shareholders for calculation of basic EPS	33,338	32,721
Net profit attributable to equity shareholders for calculation of diluted EPS	33,338	32,721
Shares		
Equity shares at the beginning of the year	46,97,52,490	46,96,70,990
Shares issued during the year	30,000	81,500
Total number of equity shares outstanding at the end of the year	46,97,82,490	46,97,52,490
	-	-
Weighted average number of equity shares outstanding during the year for calculation of	46,97,65,723	46,97,25,326
Effect of dilutive potential equity shares		
Employee stock options	1,92,796	2,05,296
Weighted average number of equity shares outstanding during the year for calculation of	46,99,58,519	46,99,30,622
Face value per share	10.00	10.00
Earnings per share		
Basic	7.10	6.97
Diluted	7.09	6.96

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.

Options to employees are usually granted with a four-year rateable vesting. The options would need to be exercised within a 3 year 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	26-Mar-14	10-Nov-16	23-May-17	29-Jan-18	22-May-19
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 2021	For the year ended 31 March 2020
Share based payment expense:		
Total expense recognised in 'employee benefits'	336	-



HINDUJA LEYLAND FINANCE LIMITED
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INR In Lakh

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 2021		Year ended 31 March 2020	
	No of options	Weighted average exercise price	No of options	Weighted average exercise price
Outstanding at beginning of the year	13,51,000	77.68	13,75,000	73.45
Granted during the year	-	-	1,60,000	110.0
Forfeited during the year	55,500	40.84	1,02,500	92.51
Exercised during the year	76,500	38.94	81,500	51.10
Expired during the year	-	-	-	0.00
Outstanding at the end of the year	12,19,000	81.79	13,51,000	77.68

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

Particulars	31-Mar-21			31-Mar-20		
	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	12,63,000	INR/- 56.95 to 110	1 – 4 years	12,63,000	INR/- 56.95 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	26-Mar-14	10-Nov-16	23-May-17	29-Jan-18	22-May-19
No of shares	29,95,000	11,90,000	50,000	4,60,000	2,10,000
Value of the share at the grant date	28	79	95	110	110
Exercise price	INR/- 10 to 37.95	INR/- 54.40	INR/- 75	INR/- 110	INR/- 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	8.00%	6.88%	7.08%	7.08%	7.08%
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 3 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 797 lakhs (31 March 2020 : INR 712 lakhs) (refer note 29) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

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:



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INR In Lakh

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-21	31-Mar-20
Significant assumptions		
Discount rate	5.60%	5.60%
Expected rate of salary escalation	10.00%	10.00%
Other assumption		
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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.

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.



HINDUJA LEYLAND FINANCE LIMITED
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INR In Lakh

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

Particulars	As at	As at
	31 Mar 2021	31 Mar 2020
Present value of obligations	751	551
Fair value of plan assets	514	330
Asset/ (Liability) recognised in the Balance Sheet	(237)	(221)

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

Particulars	Year ended	Year ended
	31 Mar 2021	31 Mar 2020
Current service cost	170	125
Past service cost	-	-
Net interest cost	9	4
Components of defined benefits costs recognised in profit or loss.	178	129
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	-	24
- Actuarial (gain)/loss from change in financial assumptions	8	30
- Actuarial (gain)/loss from change in experience adjustments	13	33
- Return on plan assets (greater)/less than discount rate	(4)	(2)
Total amount recognised in other comprehensive income	17	85
Total	196	214

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	As at
	31 Mar 2021	31 Mar 2020
Opening defined benefit obligation	552	353
Current service cost	170	125
Past service cost	-	-
Interest cost	32	23
Remeasurements (gains)/losses:		
- Actuarial (gain)/loss from change in demographic assumptions	-	24
- Actuarial (gain)/loss from change in financial assumptions	8	30
- Actuarial (gain)/loss from change in experience adjustments	13	33
Benefits paid	(23)	(36)
Closing defined benefit obligation	752	552

Movement in present values of defined benefit obligations

Particulars	As at	As at
	31 Mar 2021	31 Mar 2020
Defined benefit obligation at the beginning of the year	552	353
Current service cost	170	125
Interest cost	32	23
Actuarial (gains) / losses	21	87
Benefits paid by the plan	-	(23)
Benefits paid directly by the Group	(23)	(13)
Defined benefit obligation at the end of the year	752	552



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Movement in fair value of plan assets

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
Fair value of plan assets at the beginning of the year	330	220
Contributions paid into the plan	157	112
Benefits paid by the plan	-	(23)
Expected return on plan assets	23	19
Actuarial (losses) / gains	4	2
Fair value of plan assets at the end of the year	514	330

Expense recognised in the statement of profit or loss

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Current service cost	170	125
Interest on obligation	32	23
Expected return on plan assets	(19)	(19)
Net actuarial (gain)/ loss recognised in the year	87	87
Benefits paid directly by the Group	(13)	(13)
Total	157	157

Actuarial assumptions

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
Discount rate	5.20%	5.60%
Estimated rate of return on plan assets	5.20%	5.60%
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-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
Defined benefit obligation	752	552	353	240	164
Fair value of plan assets	514	330	220	206	115
Deficit in plan	237	221	132	34	48
Experience adjustments on plan	13	33	40	(41)	(45)
Experience adjustments on plan assets	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 2021		Year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
100 base points increase/decrease				
Discount rate		(26)	28	(19)
Future salary growth	26		(25)	20
Attrition rate	(10)		11	(2)



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

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

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

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
Expected benefits for year 1	116.44	92.95
Expected benefits for year 2	118.73	81.91
Expected benefits for year 3	147.16	99.72
Expected benefits for year 4	172.02	126.31
Expected benefits for year 5	180.50	153.68
Expected benefits for year 6	167.22	158.53
Expected benefits for year 7	155.55	142.64
Expected benefits for year 8	137.81	131.72
Expected benefits for year 9	124.38	117.07
Expected benefits for year 10 and above	106.05	168.39

The weighted average duration of the payment of these cash flows is 4 years (FY 2019-20 - 4 years)

c) Other long term employee benefits

The liability for compensated absences as at March 31, 2021 is INR 279.84 lakhs and as at March 31, 2020 is INR 167.54 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 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 2021	As at 31 Mar 2020
Claims against the Group not acknowledged as debts: Value added taxes [bank guarantee provided against the claim INR 5 lakhs (31 March 2020 : INR 75 lakhs)]	180	180
Bank guarantee against securitisation transactions	3,124	4,558
Commitments: Sanctioned and undisbursed amounts of loans	8,960	4,817

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

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



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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 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")
Associate company	HLF Services Limited ("HSL")
Fellow subsidiary	Hinduja Energy (India) Limited Gulf Ashley Motors Limited Ashley Aviation Limited
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 Prof. Dr. Andreas H Biagosch, Independent Director Ms. Bhumika Batra, Independent Director

Related party transactions

Nature of transaction	Holding company (ALL)	Associate	Fellow subsidiary	KMP
Salaries and allowances				
- Mr. S. Nagarajan	-	-	-	403
				(378)
- Mr. Sachin Pillai	-	-	-	324
				(284)
Sitting fees and Comission				
- Mr. Dheeraj G Hinduja	-	-	-	61
				(54)
- Mr. Gopal Mahadevan	-	-	-	33
				(27)
- Mr. Sudhanshu Tripathi	-	-	-	25
				(23)
- Mr. G S Sundararajan	-	-	-	32
				(24)
- Mr. R S Sharma	-	-	-	31
				(25)
- Ms. Manju Agarwal	-	-	-	34
				(29)
- Mr. Debabrata Sarkar	-	-	-	31
				(25)
- Prof. Dr. Andreas H Biagosch	-	-	-	21
				(28)
- Ms. Bhumika Batra	-	-	-	8
				-

Nature of transaction	INR In Lakh			
	Holding company (ALL)	Associate	Fellow subsidiary	KMP
Inter-corporate deposits (Hinduja Energy (India) Limited)	-	-	30,000	-
Repayment of Inter-corporate deposits (Hinduja Energy (India) Limited)	-	-	(17,500)	-
Advance given (Gulf Ashley Motors Limited)	-	-	30,000	-
Advance repayment (Gulf Ashley Motors Limited)	-	-	(22,000)	-
Reimbursement of expenses incurred on behalf of the related party	60	-	600	-
Interest income	(1)	-	(4,160)	-
- Hinduja Energy (India) Limited	-	-	600	-
- Gulf Ashley Motors Limited	-	-	(4,855)	-
Purchase of services including tax:			21	-
a. Service provider fee			-	-
b. Sourcing / marketing expenses			-	-
			-	-
Income from other services	124.00	-	(8)	-
Number of equity shares allotted on exercise of options - Mr. Sachin pillai	-	-	-	-
	-	-	-	15,000
	-	-	-	(10,000)

Figures in bracket represent previous year figures.

Year end balances

Particulars	As at	As at
	31 March 2021	31 March 2020
Amounts due from related parties		
- Hinduja Energy (India) Limited	-	-
- HLF Services Limited	-	5,186
- Gulf Ashley Motors Limited	-	-
Amounts due to related parties		
- Hinduja Housing Finance Limited	162	162

There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.

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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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 2021			As at 31 March 2020		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Cash and cash equivalents	81,871	-	81,871	84,269	-	84,269
Bank Balance other than cash and cash equivalents	5,585	-	5,585	-	14,610	14,610
Other Receivables			-	-	-	-
Loans	6,26,301	15,43,610	21,69,911	7,65,921	12,20,410	19,86,331
Investments	11,912	70,039	81,951	18,342	44,998	63,340
Other financial assets	46,718	14,931	61,650	28,467	30,889	59,356
Current tax assets (net)	5,952	-	5,952	7,604	-	7,604
Property, Plant and Equipment	-	8,564	8,564	-	5,156	5,156
Capital work-in-progress	-	38	38	-	116	116
Other Intangible assets	-	74	74	-	63	63
Right of use assets	-	2,632	2,632	-	2,650	2,650
Other non-financial assets	5,769	10	5,780	2,971	-	2,971
Total Assets	7,84,108	16,39,900	24,24,008	9,07,574	13,18,892	22,26,466
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	1,987	-	1,987	2,139	-	2,139
Debt Securities	63,544	68,259	1,31,803	61,602	26,698	88,300
Borrowings (other than debt securities)	6,76,111	10,13,658	16,89,769	5,59,126	10,61,889	16,21,015
Subordinated liabilities	21,137	1,14,026	1,35,163	20,570	1,11,018	1,31,588
Other financial liabilities	41,600	4,220	45,820	37,060	5,565	42,625
Provisions	-	540	540	291	111	402
Deferred tax liabilities (net)	-	21,430	21,430	-	7,359	7,359
Other non-financial liabilities	780	-	780	546	-	546
Total Liabilities	8,05,158	12,22,133	20,27,291	6,81,334	12,12,640	18,93,974
Net	-21,050	4,17,767	3,96,717	2,26,240	1,06,252	3,32,492

**HINDUJA LEYLAND FINANCE LIMITED****Notes to Consolidated financial statements for the year ended 31 March 2021****INR In Lakh****40 Leases**

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

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

- (a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- (b) Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the
- (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, 2021:

Category of ROU Asset	Gross Block			Accumulated Depreciation			Net Block
	As at	Additions	As at	As at	Depreciation	As at	As at
	1 April 2020		31 March 2021	1 April 2020		31 March 2021	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, 2021 on an undiscounted basis:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Within one year	1,118	943
After one year but not more than five years	1,916	1,289
More than five years	444	318
Total	3,478	2,550

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 2021	Year ended 31 March 2020
Within one year	22	24
After one year but not more than five years	20	34
More than five years	-	-
Total	42	58
Less : Future finance charges	8	8
Present value of minimum lease payments	34	50
Total	42	58

INR In Lakh

41 Corporate social responsibility (“CSR”) expenditure

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(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	825	679
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	540	716

42 Utilisation of the proceeds of rights issue

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
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 2021	Year ended 31 March 2020
Legal and professional charges	39	41



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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		
	FVOCI	Level 1	Level 2	Level 3	Total
As at 31 March 2021					
Loans	9,59,291	-	-	10,52,585	10,52,585
As at 31 March 2020					
Loans	6,98,932	-	-	7,51,408	7,51,408

The Group does not have any financial assets measured at fair value as on 31 March 2021 and 1 April 2020.

Reconciliation of level 3 fair value measurement is as follows

Loans	Year ended	
	31 Mar 2021	31 Mar 2020
<i>Loans, measured at FVOCI</i>		
Balance at the beginning of the year	52,476	30,028
Total gains measured through OCI for additions made during the year	40,818	22,448
Balance at the end of the year	93,294	52,476

Sensitivity analysis

31 March 2021	Equity, net of tax	
	Increase	Decrease
Loans		
Interest rates (1% movement)	19,471.90	20,184.43

The carrying value and fair value of other 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
Financial assets not measured at fair value:					
Loans	22,54,748	-	-	24,73,910	24,73,910
Investments	81,609	8,150	-	77,132	85,282
Total	23,36,357				
Financial liabilities not measured at fair value:					
Debt securities	1,31,803	1,31,803	-	-	1,31,803
Borrowings	16,89,769	-	-	16,89,769	16,89,769
Subordinated liabilities	1,35,163	1,35,163	-	-	1,35,163
Total	19,56,735				



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44 Financial instrument (continued)

The carrying value and fair value of financial instruments by categories as of March 31, 2020 were as follows:

Particulars	Carrying amount		Fair value		
	Amortised cost	Level 1	Level 2	Level 3	Total
Assets:					
Loans	19,82,072	-	-	20,92,112	20,92,112
Investments	63,079	8,000	-	58,076	66,076
Total	20,45,151				
Liabilities:					
Debt securities	88,300	88,300	-	-	88,300
Borrowings	16,21,015	-	-	16,21,015	16,21,015
Subordinated liabilities	1,31,588	1,31,588	-	-	1,31,588
Total	18,40,903				

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. Investment in mutual funds has been taken as Level 1 and value has been considered based on mutual fund statement.

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

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

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

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	Carrying Amount	
	As at 31 March 2021	As at 31 March 2020
Retail Loans	20,57,516	17,60,273
Term Loans	1,65,980	2,21,799
Repossessed loans	31,252	94,666
	22,54,748	20,76,738
Less : Impairment loss allowance	(84,837)	(90,407)
	21,69,911	19,86,331

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

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.

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.



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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
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")

Probability of default:

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

The Group has made overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The probability of default has been stressed depending on the type of portfolio, credit risk and likely consequential default due to pandemic. The impact on collateral values is also stressed for determination of loss given default wherever necessary as appropriate. 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[1] 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 (15%), downside (15%) and base (70%). 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.



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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

The formula for the computation is as below:

$\% \text{ Recovery rate} = (\text{discounted recovery amount} + \text{security amount} + \text{discounted estimated recovery}) / (\text{total POS})$

$\% \text{ LGD} = 1 - \text{recovery rate}$

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. 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

Discounting:

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



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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 2021				As at 31 Mar 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	15,11,014	3,49,903	2,15,820	20,76,738	15,09,396	2,35,402	1,21,129	18,65,926
Assets derecognised or repaid	(4,03,866)	(68,704)	(86,376)	(5,58,945)	(5,41,451)	(77,865)	(16,600)	(6,35,917)
Transfers from Stage 1 **	(1,39,204)	2,11,194	12,843	84,832	(3,25,263)	2,03,698	49,289	(72,276)
Transfers from Stage 2 **	97,081	(1,11,835)	22,907	8,153	22,280	(96,919)	39,734	(34,905)
Transfers from Stage 3 **	903	2,264	(2,675)	492	932	3,404	17,027	21,364
Amounts written off	-	-	(15,153)	(15,153)	(12)	-	(146)	(158)
New assets originated*	6,43,740	14,469	423	6,58,632	8,45,132	82,184	5,387	9,32,703
Gross carrying amount closing balance	17,09,668	3,97,291	1,47,790	22,54,749	15,11,014	3,49,903	2,15,820	20,76,738

* 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

Reconciliation of ECL balance is given below:

Particulars	As at 31 Mar 2021				As at 31 Mar 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	6,910	1,473	82,024	90,407	3,465	1,339	45,671	50,474
Assets derecognised or repaid (excluding v	5,678	9,522	(24,370)	(9,170)	(1,065)	(369)	(6,116)	(7,549)
Transfers from Stage 1	(11,517)	4,799	5,172	(1,546)	(752)	903	18,122	18,274
Transfers from Stage 2	287	(7,147)	7,984	1,124	104	(524)	14,243	13,823
Transfers from Stage 3	5	50	650	705	4	9	5,146	5,160
New assets originated and incremental cha	1,556	383	15,022	16,961	4,713	347	8,597	13,657
Write offs during the year	-	-	(15,152)	(15,152)	(12)	-	615	603
Restructured assets	1,508	-	-	1,508	-	-	-	-
Transfer to OCI	-	-	-	-	454	(233)	(4,254)	(4,034)
Closing provision of ECL	4,427	9,080	71,330	84,837	6,910	1,473	82,024	90,407

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

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 1,475 lakhs spread across 16 banks. The utilization level is maintained in such a way that

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.



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

As at 31 March 2021	Contractual cash flows				
	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	1,987	1,987	-	-	-
Borrowings	16,89,769	6,59,312	7,76,547	2,12,482	41,427
Debt Securities	1,31,803	63,544	68,259	-	-
Subordinated liabilities	1,35,163	21,137	31,982	64,715	17,329
Other financial liabilities	45,820	41,438	4,220	-	162
Total	20,04,542	7,87,418	8,81,008	2,77,197	58,918
Financial assets					
Cash and Cash Equivalents	81,871	81,871			
Bank balances other than (a) above	5,585	5,585			
Loans	21,69,911	6,52,295	9,76,511	3,22,975	2,18,131
Investments	81,951	10,545	26,714	14,313	30,379
Other financial assets	61,650	45,591	15,326	141	592
Total	24,00,968	7,95,887	10,18,551	3,37,429	2,49,102

As at 31 March 2020	Contractual cash flows				
	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	2,139	2,139	-	-	-
Borrowings	16,21,015	5,53,730	8,11,586	2,31,147	24,552
Debt Securities	88,300	61,602	26,698	-	-
Subordinated liabilities	1,31,588	20,570	40,477	70,541	
Other financial liabilities	42,625	36,898	4,972	275	480
Total	18,85,667	6,74,939	8,83,733	3,01,963	25,032
Financial assets					
Cash and Cash Equivalents	84,269	84,269			
Bank balances other than (a) above	14,610	14,610			
Loans	19,86,351	7,87,676	7,44,577	2,30,424	2,23,674
Investments	63,340	17,681	28,382	9,573	7,704
Other financial assets	59,356	23,266	26,731	8,782	577
Total	22,07,926	9,27,502	7,99,690	2,48,779	2,31,955

(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.

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 2021		For the year ended 31 March 2020	
	increase	decrease	increase	decrease
Change in interest rates (25 bps)				
Floating rate borrowings				
Floating rate loans				
Impact on profit for the year	(4,558)	4,558	(4,255)	4,255



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46 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-21		31-Mar-20	
	%	Amount	%	Amount
Parent				
Hinduja Leyland Finance Limited	91.00%	3,61,019	91.92%	3,05,635
Subsidiary				
Hinduja Housing Finance Limited	8.91%	35,340	8.00%	26,591
Associate				
HLF Services Limited	0.09%	357	0.08%	266
Total	100.00%	3,96,716	100.00%	3,32,492

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

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	%	Amount	%	Amount
Parent				
Hinduja Leyland Finance Limited	81.02%	27,010	89.23%	29,197
Subsidiary				
Hinduja Housing Finance Limited	18.71%	6,238	10.57%	3,458
Associate				
HLF Services Limited	0.27%	90	0.20%	65
Total	100.00%	33,338	100.00%	32,720

47 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.

48 The COVID -19 pandemic continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The standalone financial results, includes the potential impact of the COVID-19 pandemic on the Group's standalone financial results which are dependent on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether Government mandated or elected by the Group and its subsequent impact on the recoverability's on the Group's assets.

Further, the Group has, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Group's management has considered all information available upto the date of approval of these standalone financial results. Accordingly, the Group has made provision for expected credit loss on financial assets as at March 31, 2021. Based on the current indicators of future economic conditions, the Group considers this provision to be adequate and expects to recover the carrying amount of these financial assets.

The extent to which the COVID-19 pandemic will further impact the Group's standalone financial results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial results and the Group will continue to closely monitor any material changes to future economic conditions.

49 Subsequent events

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

50 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, 2021.

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 : 03 June 2021