

INFORMATION MEMORANDUM

Information Memorandum as per Schedule II of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and as per Form PAS 4 (Pursuant to Section 42 of Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014



HINDUJA LEYLAND FINANCE

HINDUJA LEYLAND FINANCE LIMITED

(A Company incorporated under the Companies Act, 1956 and registered as non-banking financial company with the Reserve Bank of India)
Corporate Identification Number: U65993MH2008PLC384221

Registered Office: Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai-400018

Corporate Office: 27-A, Developed Plot (South Phase), Industrial Estate, Guindy, Chennai - 600032

Tel: 91 (044) 39252525; **Fax:** 91 (044) 22304314; **Website:** <http://www.hindujaleylandfinance.com>;

Company Secretary and Compliance Officer: B Shanmugasundaram; **E-mail:** compliance@hindujaleylandfinance.com

ISSUE OF UPTO 5,000 RATED, LISTED, SECURED, SENIOR, REDEEMABLE, TAXABLE, PRINCIPAL PROTECTED NON-CONVERTIBLE MARKET LINKED DEBENTURES OF FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKHS ONLY) EACH, AGGREGATING UP TO RS. 50,00,00,000 (INDIAN RUPEES FIFTY CRORES ONLY) ON A PRIVATE PLACEMENT BASIS (THE "ISSUE") WITH A GREEN SHOE OPTION OF 10,000 MARKET LINKED DEBENTURES FOR AN AMOUNT UPTO RS. 100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORES ONLY) AGREGATING TOTAL ISSUE UPTO RS.1,50,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES ONLY) (THE "ISSUE"):

Promoter:

Name: Ashok Leyland Limited; Address: 1, Sardar Patel Road Guindy Chennai 600032

Email: secretarial@ashokleyland.com, Tel: +91 44 2220 6000

General Risks:

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to statement of risk factors contained in Page 7 of this Placement Memorandum.

Credit Rating:

The MLDs proposed to be issued by the Issuer have been rated by CARE Ratings Limited. The Rating Agency have assigned a rating of "CARE AA" (Outlook – Stable) in respect of the MLDs. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The Press release is available in Annexure III.

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agency has the right to suspend, withdraw the rating at any time on the basis of new information, etc. Please refer to Annexure 3 of this Information Memorandum for the letter from the Rating Agency assigning the credit rating abovementioned issued by the Rating Agency.

Key Terms:

Issue Opening Date	27 th January, 2023
Issue Closing Date	27 th January, 2023
Issue Earliest Closing Date	27 th January, 2023
Credit Rating	CARE PP MLD AA Stable {Pronounced "Double A Stable":}
Coupon Rate	8.60%
Coupon Payment Frequency	Annexure 2
Redemption Date	27 th January, 2026
Redemption Amount	Annexure 2
Listing	Wholesale debt market segment of BSE Limited (BSE)
Details of eligible investors	Scheduled Commercial Banks; Financial Institutions; Insurance Companies; Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI); Regional Rural Banks; Mutual Funds; Companies, Bodies Corporate authorized to invest in Debentures; Provident Funds, Gratuity, Superannuation & Pension Funds, subject to their Investment guidelines; Trusts; The persons set out in Section 8(b) below; or Any other investor category eligible to invest subject to current applicable rules, act, laws etc.
Other terms	This issuance is not a non-equity regulatory capital as mentioned under chapter V & chapter XIII Of the SEBI NCS REGULATION '2021.

This Information Memorandum is dated 24th January 2023.

For HINDUJA LEYLAND FINANCE LTD.



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OTHER DETAILS		
<p>Company Secretary & Compliance Officer Name: B. Shanmugasundaram Address: No.27A Developed Industrial Estate, Guindy, Chennai – 600032 Tel No: 044-2242 7527 Email: compliance@hindujaleylfinance.com</p>	<p>Chief Financial Officer Name: Vikas Jain Address: No.27A Developed Industrial Estate, Guindy, Chennai – 600032 Tel No: 044-2242 7523 Email: vikas.jain @hindujaleylfinance.com</p>	
<p>LINK Intime <u>Registrar & Transfer Agent</u> <u>Link Intime India Pvt. Ltd.</u> <u>C-101, 247 Park, LBS Marg, Vikhroli (West),</u> <u>Mumbai – 400 083.</u> <u>Tel: 022 – 49186 000</u> <u>Email: rnt.helpdesk@linktime.co.in</u> <u>Contact Person: Mr. Ganesh Jadhav</u></p>	<p>CareEdge <small>Strategy • Advisory • Research • Risk Solutions</small> <u>Rating Agency</u> <u>CARE Rating Limited</u> <u>4th Floor, Godrej Coliseum,</u> <u>Somaiya Hospital Road,</u> <u>Off Eastern Express Highway, Sion (East),</u> <u>Mumbai - 400 022</u> <u>Tel: 022 3342 3000</u> <u>Email: care@careedge.in</u> <u>Contact Person:</u></p>	<p>IDBI trustee <small>IDBI Trusteeship Services Ltd</small> <u>Debenture Trustee</u> <u>IDBI Trusteeship Services Ltd</u> <u>Asian Building, Ground Flr, 17,</u> <u>R. Kamani Marg, Ballard</u> <u>Estate, Mumbai – 400 001</u> <u>Tel: 022 40807000</u> <u>Email: itsl@idbitrustee.com</u> <u>Contact Person: Ms. Dipali</u> <u>Dorugade</u></p>

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DISCLAIMER CLAUSE

GENERAL DISCLAIMER

This document is neither a "Prospectus" nor a "Statement in Lieu of a Prospectus" but an "Information Memorandum" prepared in accordance with Schedule II of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Form PAS 4 (Pursuant to Section 42 of Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014). This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by Hinduja Leyland Finance Limited. The document is for the exclusive use to whom it is delivered and it should not be circulated or distributed to third party/(ies).

The Issuer certifies that the disclosures made in this document are generally adequate and are in conformity with the captioned SEBI Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed Issue. Apart from this Information Memorandum, no offer document or prospectus has been prepared in connection with this Issue and no prospectus in relation to the Issuer or the Debentures relating to this offer has been delivered for registration nor is such a document required to be registered under the applicable laws.

This Information Memorandum is issued by the Company and has been prepared by the Company to provide general information on the Company to potential investors to whom it is addressed and who are eligible and willing to subscribe to the Debentures and does not purport to contain all the information a potential investor may require. Where this Information Memorandum summarizes the provisions of any other document, that summary should not be solely relied upon and the relevant document should be referred to for the full effect of the provisions. Neither this Information Memorandum, nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation. Any recipient of this Information Memorandum should not consider such receipt a recommendation to purchase the Debentures. Each potential investor contemplating the purchase of any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own legal, regulatory, tax, financial, accounting, and/or other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential investor's particular circumstances.

This Information Memorandum shall not be considered as a recommendation to purchase the Debentures and recipients are urged to determine, investigate and evaluate for themselves, the authenticity, origin, validity, accuracy, completeness, adequacy or otherwise the relevance of information contained in this Information Memorandum. The recipients are required to make their own independent valuation and judgment of the Company and the Debentures. It is the responsibility of potential investors to ensure that if they sell/ transfer these Debentures, they shall do so in strict accordance with this Information Memorandum and other applicable laws, so that the sale does not constitute an offer to the public, within the meaning of the Act. The potential investors should also consult their own tax advisors on the tax implications relating to acquisition, ownership, sale or redemption of the Debentures and in respect of income arising thereon. Investors are also required to make their own assessment regarding their eligibility for making investment(s) in the Debentures. The Company or any of its directors, employees, advisors, affiliates, subsidiaries or representatives do not accept any responsibility and/ or liability for any loss or damage however arising and of whatever nature and extent in connection with the said information.

RBI DISCLAIMER

The Company is having a valid certificate of Registration dated 22nd March, 2010 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act 1934. However, the Reserve Bank of India ("RBI") does not accept any responsibility or guarantee about the present position as to the financial soundness of the Issuer or for the correctness of any of the statements

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or representations made or opinions expressed by the Issuer and for discharge of liability by the Issuer.

DISCLAIMER CLAUSE OF THE DESIGNATED STOCK EXCHANGE(S)

As required, a copy of this Information Memorandum has been filed with the BSE in terms of the SEBI Regulations. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

As per the provisions of the SEBI Regulations, a copy of this Information Memorandum has not been filed with or submitted to the SEBI. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project(s) for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

This Information Memorandum has not been filed with SEBI. The Securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum. It is to be distinctly understood that this Information Memorandum should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Information Memorandum. The issue of Debentures being made on private placement basis, filing of this Information Memorandum is not required with SEBI, however SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Information Memorandum.

DISCLAIMER OF THE DEBENTURE TRUSTEE

The Issuer confirms that all necessary disclosures have been made in this Information Memorandum including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Information Memorandum. Each prospective investor should make its own independent assessment of the merit of the investment in the Debentures and the Issuer. Prospective investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments. The Debenture Trustee, "ipso facto" does not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid/invested by investors for the debentures.

DISCLAIMER OF THE DEBENTURE ARRANGER

It is advised that the Issuer has exercised self due diligence to ensure complete compliance of prescribed disclosure norms etc. in this Offer Letter. The role of the Arranger in the assignment is confined to marketing and placement of the Debentures on the basis of this Offer Letter as prepared by the Issuer. The Arranger has neither scrutinized/vetted nor have they done any due-diligence for verification of the contents of this Offer Letter. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Arranger or any of their officers as to the adequacy, completeness or reasonableness of the information contained herein or of any further information, statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto.

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The Arranger shall use this Offer Letter for the purpose of soliciting subscription from eligible investors for the Debentures to be issued by the Issuer on a private placement basis. It is to be distinctly understood that the aforesaid use of this Offer Letter by the Arranger should not in any way be deemed or construed that the Offer Letter has been prepared, cleared, approved or vetted by the Arranger; nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Letter; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Bank. The Arranger or any of their directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this Offer Letter.

Please note that:

- The Arranger and/or their Affiliates may, now and/or in the future, have other investment and commercial banking, trust and other relationships with the Issuer and with other persons ("Other Persons");
- As a result of those other relationships, the Arranger and/or their Affiliates may get information about Other Persons, the Issuer and/or the Issue or that may be relevant to any of them. Despite this, the Arranger and/or their Affiliates will not be required to disclose such information, or the fact that it is in possession of such information, to any recipient of this Offer Letter;
- The Arranger and/or their Affiliates may, now and in the future, have fiduciary or other relationships under which it, or they, may exercise voting power over securities of various persons. Those securities may, from time to time, include Debentures of the Issuer; and
- Each of the Arranger and/or their Affiliates may exercise such voting powers, and otherwise perform its functions in connection with such fiduciary or other relationships, without regard to its relationship to the Issuer and/or the Debentures.

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MANAGEMENT'S PERCEPTION OF RISK FACTORS

The Company believes that the following factors may affect its ability to fulfil its obligations in respect of the Debentures. All of these factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but the inability of the Company, as the case may be, to pay principal or other amounts on or in connection with any Debentures may occur for other reasons and the Company does not represent that the statements below regarding the risks of holding any Debentures are exhaustive. Potential investors should perform their own independent investigation of the financial condition and affairs of the Company, and their own appraisal of the creditworthiness of the Company. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations with respect to the Debentures. Potential investors should thereafter reach their own views prior to making any investment decision.

CREDIT RISK

Potential investors should be aware that receipt of the Redemption Payment and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential investors may have to hold the Debentures until redemption to realize any value.

RATING AGENCIES MAY DOWNGRADE THE CREDIT RATING ASSIGNED TO THE ISSUE OR THE DEBENTURES

The Rating Agencies have assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agencies may downgrade the rating of the Debentures or rating of the Company. In such cases, potential investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

SECURITY MAY BE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security over the Hypothecated Assets as per the terms of Security Documents, and other Transaction Documents. The Investors recovery in relation to the Debentures will be subject to (i) the market value of such Hypothecated Assets, (ii) finding willing buyers for the Hypothecated Assets at a price sufficient to repay the potential investors amounts outstanding under the Debentures. The value realized from the enforcement of the Security over the Hypothecated Assets may be insufficient to redeem the Debentures.

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MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

LEGALITY OF PURCHASE

Potential investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential investor with any law, regulation or regulatory policy applicable to it.

POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

GENERAL RISK: For taking an investment decision, the investors must rely on their own examination of the Issuer and the Offer including the risks involved. This Offer/Issue is being made on a private placement basis. The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document.

CREDIT RATING: The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc. and should be evaluated independently of any other rating.

ISSUER'S ABSOLUTE RESPONSIBILITY: The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, as required under Schedule II of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Form PAS 4 (Pursuant to Section 42 of Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Statement of Securities) Rules, 2014, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission

of which make this document as a whole or any of such information or the expression of any such opinion or intentions misleading.

RISKS RELATED TO THE BUSINESS OF THE ISSUER**(a) The financial performance of the Company is vulnerable to interest rate volatility**

The profitability of the Company is mainly dependent on the net interest margins. The Company borrows both in floating and fixed interest rates. The Company is exposed to interest rate risks since the disbursements are generally made in fixed interest rates. Volatility in interest rates can materially and adversely affect our financial performance and cash flows. In a rising interest rate environment, if the yield on the interest-earning assets of the Company does not increase simultaneously with or to the same extent as cost of funds, or, in a declining interest rate environment, if the cost of funds does not decline

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simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted.

Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors. Rise in inflation, and consequent changes in Bank rates, Repo rates and Reverse Repo rates by the RBI has led to an increase in interest rates on loans provided by banks and financial institutions, and market interest rates in India have been volatile in recent periods.

- (b) **If the Company is unable to control the level of non-performing loans (“NPAs”) in the future, or if the loan loss reserves are insufficient to cover future loan losses, the financial condition of the Issuer and results of operations may be materially and adversely affected.**

Non-performing or low credit quality loans can negatively impact the operations of the Company. As of September, 30 2022, the summary of Assets under Management is as under:

Asset Classification	Loans & advances Outstanding (INR in Crores)	%
Standard Assets –AUM	25,481	96.0
Gross Non-Performing Assets	1,021	4.0
Total	26,502	100.0

We cannot be sure that we will be able to improve our collections and recoveries in relation to our NPAs, or otherwise adequately control our level of NPAs in future. Moreover, as our loan portfolio matures, we may experience greater defaults in principal and/or interest repayments. Thus, if we are not able to control or reduce our level of NPAs, the overall quality of our loan portfolio may deteriorate and our results of operations and/or cash flows may be adversely affected. Furthermore, our current provisions may not be adequate when compared to the loan portfolios of other financial institutions. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of Gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. In the event of any further deterioration in our NPA portfolio, there could be an even greater, adverse impact on our results of operations and/or cash flows.

- (c) **We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans.**

As a security interest for the financing facilities provided by us to our customers, the vehicles purchased by our customers are hypothecated in our favour. The value of the vehicle, however, is subject to depreciation, deterioration, and/or reduction in value on account of other extraneous reasons, over the course of time. Consequently, the realizable value of the collateral for the credit facility provided by us, when liquidated, may be lower than the outstanding loan from such customers. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Furthermore, in the case of a default, we typically repossess the commercial vehicles financed and sell such vehicles through auctions. The hypothecated vehicles, being movable property, may be difficult to locate or seize in the event of any default by our customers. There can also be no assurance that we will be able to sell such vehicles provided as collateral at prices sufficient to cover the amounts under default. In addition, there may be delays associated with such process.

A failure or delay to recover the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial

condition, results of operations and/or cash flows. Furthermore, enforcing our legal rights by litigating against defaulting customers is generally a slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all. The recovery of monies from defaulting customers may be further compounded by the fact that we do not generally insist on, or receive post-dated cheques as security towards the timely repayment of dues from customers to whom we have provided loans. Further if we are unable to sell any repossessed vehicles provided as security for such loans, at commercially favourable prices, in a timely manner or at all, we may not recover the costs of maintaining such repossessed vehicles and our operations, cash flows and profitability could be adversely affected.

- (d) **A part of our collections are in cash and consequently we face the risk of misappropriation or fraud by our employees.**

A portion of our collections from our customers is in cash. Cash collections expose us to the risk of fraud, misappropriation or unauthorized transactions by our employees responsible for dealing with such cash collections. While we have taken insurance policies and coverage for cash in safes and in transit, and undertake measures to detect and prevent any unauthorized transaction, fraud or misappropriation by our representatives and officers, this may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations, profitability and/or cash flows. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

- (e) **Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.**

The Company is a non-deposit taking Non-Banking Financial Company ("NBFC") registered with the RBI. As such, the Company is regulated by RBI vide its Master Circular named as "Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007". These directions were issued by Reserve bank of India on 22nd February 2007 vide notification No. DNBS.193 /DG (VL) - 2007. The provisions of these directions apply to all non-banking financial companies not accepting / holding public deposits. If the Issuer fails to comply, or a regulator claims we have not complied, with any of these conditions, its certificate of registration may be suspended or cancelled and the Issuer shall not be able to carry on such activities.

- (f) **Issuer may be required to increase capital ratio or amount of loan loss reserves, which may result in changes to business and accounting practices that would harm business and results of operations.**

The Issuer is subject to the RBI minimum capital to risk weighted assets ratio regulations. Pursuant to Section 45 -IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20.0% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. The Issuer is also required to maintain a minimum capital adequacy ratio of 15.0% in relation to aggregate risk-weighted assets and risk adjusted assigned loans.

The RBI may also in the future require compliance with other financial ratios and standards. Compliance with such regulatory requirements in the future may require alteration of its business and accounting practices or take other actions that could materially harm its business and operating results.

For HINDUJA LEYLAND FINANCE LTD.



AUTHORISED SIGNATORY

DEFINITIONS

Term	Meaning / Definition / Complete Term
"we", "us", "Issuer", "the Company", "our Company", or "Issuer Company"	Unless the context otherwise indicates or implies, refers to Hinduja Leyland Finance Limited
Act or Companies Act	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time
Applicable Law	means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof
Applicants	means the persons who have submitted a completed Application Form to the Company
Application Form	means the form in terms of which, the potential investors shall apply for the Debentures of the Issuer attached in Annexure 1
Application Money	means the subscription amounts paid by the Applicants at the time of submitting the Application Form
Assets	means, for any date of determination, the assets of the Company on such date as the same would be determined in accordance with the Applicable Accounting Standards.
Beneficial Owner(s)	The holder(s) of the Debentures in dematerialised form whose name is recorded as such with the Depository in the Register of Beneficial
BSE	BSE Limited
Business Day	means any day on which banks are open for general business, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 at Mumbai, India or a Sunday
CDSL	Central Depository Services (India) Limited.
Constitutional Documents	means the memorandum of association and the articles of association, the certificate of registration from the RBI and the certificate of incorporation, of the Company
Control	Has the meaning given to it in the Act
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest
Debenture Holder(s)	means each person who is: (a) registered as a Beneficial Owner; and (b) registered as a debenture holder in the Register of Debenture Holders, and (a) and (b) above shall be deemed to include transferees of the Debentures registered with the Company and the Depository from time to time, and in the event of any inconsistency between (a) and (b) above, (a) shall prevail.
Debenture Trust Deed	means the debenture trust deed to be entered into between the Issuer and the Debenture Trustee for the Issue
Debenture Trustee	IDBI Trusteeship Services Limited
Debenture Trustee Agreement	means the debenture trustee agreement to be entered into between the Issuer and the Trustee. Debenture Trustee for the latter's appointment as the debenture trustee for the Issue
Debenture Trustees Regulations	Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993
Deed of Hypothecation	means the unattested deed of hypothecation, dated on or about the Deemed Date of Allotment, executed or to be executed and delivered by the Company in a form acceptable to the Debenture Trustee

Term	Meaning / Definition / Complete Term
Debentures or MLD or Debt Securities	Issue Of upto 5,000 Rated, Listed, Secured, Senior, Redeemable, Taxable, Principal Protected Non-Convertible Market Linked Debentures Of Face Value Of Rs. 1,00,000/- (Rupees One Lakhs Only) Each, Aggregating upto Rs. 50,00,00,000 (Indian Rupees Fifty Crores Only) on a Private Placement Basis (The "Issue") With A Green Shoe Option Of 10,000 Market Linked Debentures for an Amount upto Rs. 100,00,00,000 (Indian Rupees Hundred Crores Only) (The "Issue")
Deemed Date of Allotment	27 th January, 2023
Depositories	NSDL and CDSL
Due Date	means the due date in respect of any payment of interest, principal or any other amounts payable under the Debenture Trust Deed
DRR	Debenture Redemption Reserve
EBP Guidelines	means the guidelines issued by SEBI with respect to electronic book mechanism pursuant to the SEBI circular dated January 5, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/05) on "Electronic book mechanism for issuance of securities on private placement basis" read with the SEBI Circular dated August 16, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/122) on "Electronic book mechanism for issuance of securities on private placement basis - Clarifications" and the operational guidelines issued by the relevant Electronic Book Provider, as may be restated, amended, modified or updated from time to time
Electronic Book Provider / EBP	Has the meaning given to it under the EBP Guidelines.
EBP Platform	has the meaning given to it under the EBP Guidelines.
Information Memorandum	means this Information Memorandum pursuant to which the Debentures are being offered for private placement.
Event of Default	means the events set out in Section 7.7.
Final Settlement Date	means the date on which all Secured Obligations have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders

For HINDUJA LEYLAND FINANCE LTD.



AUTHORISED SIGNATORY

Term	Meaning / Definition / Complete Term
Financial Indebtedness	<p>means any indebtedness for or in respect of:</p> <ul style="list-style-type: none"> (a) any amounts borrowed; (b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, facility, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Indian GAAP, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (h) shares which are expressed to be redeemable or shares which are the subject of a put option or any form of guarantee; (i) any obligation under any put option in respect of any securities; (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (k) any corporate/personal guarantee, a letter of comfort or any other similar contractual comfort issued or incurred in respect of a liability incurred by any other third person; and (l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.
Government Authority	means any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organization, established under any Applicable Law
Hinduja Group	means the promoters of the Issuer and the companies defined as promoters of the Issuer from time to time, whether individually or together, exercise management control
HLF	Hinduja Leyland Finance Limited
Hypothecated Assets	has the meaning given to it in Section 6(b)
Indian GAAP	means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable
INR	Indian Rupees
Interest Rate	has the meaning given to it in Section 6(b)
Listing Period	means 3 trading days from the issue closure date
Location of Dispute Resolution	Chennai
LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 50% (fifty percent) of the value of the Outstanding Principal Amounts of the Debentures

Term	Meaning / Definition / Complete Term
Majority Resolution	means a resolution approved by such number of Debenture Holders that represent more than 50% (fifty percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting or if a poll is demanded, by such number of Debenture Holders that represent more than 50% (fifty percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting in such poll
Material Adverse Effect	means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on: <ul style="list-style-type: none"> (a) the financial condition, business or operation of the Company, environmental, social or otherwise or prospects of the Company; (b) the ability of the Company to perform its obligations under the Transaction Documents; or (c) the validity or enforceability of any of the Transaction Documents (including the ability of any party (other than the Company) to enforce any of its remedies thereunder).
Moratorium Directions (COVID-19)	means, collectively, the RBI's circular no. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 on "COVID-19 – Regulatory Package", the RBI circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 on "COVID19 Regulatory Package - Asset Classification and Provisioning", the RBI circular no. DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 on "COVID-19 – Regulatory Package", and the RBI circular no. DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020 on "COVID19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets" (each as amended, modified or restated from time to time).
NBFC	Non-Banking Financial Company
NBFC Directions	means the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 and/or the Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 (each as amended, modified or restated from time to time) as may be applicable
NSDL	National Securities Depository Limited
Outstanding Amounts	means at any date, the Outstanding Principal Amounts together with any interest, additional interests, costs, fees, charges, and other amounts payable by the Company in respect of the Debentures
Outstanding Principal Amount	means, at any date, the principal amounts outstanding under the Debentures
Payment Default	shall mean any event, act or condition which, with notice or lapse of time, or both, would constitute an Event of Default under Section 7.7(a)
Potential Event of Default	shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default
Rating	PP MLD AA Stable
Rating Agency	CARE Rating Limited
RBI	Reserve Bank of India
Redemption Date	27 th January, 2026
Redemption Payment	means the payment of the Outstanding Principal Amounts of the Debentures on the Redemption Date as specified in Annexure 2
Register of Beneficial Owners	means the register of beneficial owners of the Debentures maintained in the records of the Depository
Register of Debenture Holders	means the register of debenture holders maintained by the Company in accordance with Section 88 of the Act

Term	Meaning / Definition / Complete Term
Registrar	means the registrar and transfer agent appointed for the Issue, being Link Intime India Private Limited
RoC / ROC	Registrar of Companies, Chennai
SEBI	Securities and Exchange Board of India
Secured Obligations	means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Company to the Debenture Holders or the Debenture Trustee under the Transaction Documents, including without limitation, the making of payment of any interest, redemption of principal amounts, default interest, liquidated damages and all costs, charges, expenses and other amounts payable by the Company in respect of the Debentures. Means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) obligations of the Company to the Debenture Holders or the Trustee under the Debenture Trust Deed
SEBI Listing Regulations	Schedule II of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (and as amended from time to time)
SEBI Defaults (Procedure) Circular	means the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 on "Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities".
SEBI Listing Timelines Circular	means the SEBI circular bearing reference number SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/167 dated November 30, 2022 on "Standardization of timeline for listing of securities issued on a private placement basis under: i. SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 (SEBI NCRPS), ii. SEBI (Public Offer and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 (SEBI SDI), and iv. SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 (SEBI ILDM)".
SEBI REF Circular	means the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on "Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund"" issued by SEBI.
Stressed Assets Framework	means the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets", as may be amended, modified or restated from time to time.
Security Cover	1x
Special Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures
Special Resolution	means a resolution approved by such number of Debenture Holders that represent more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting or if a poll is demanded, by such number of Debenture Holders that represent more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting in such poll

For HINDUJA LEYLAND FINANCE LTD.


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Term	Meaning / Definition / Complete Term
Tax	means any present or future tax, levy, duty, charge, fees, deductions, withholdings, surcharges, cess, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter imposed under Applicable Law or by any Governmental Authority and as maybe applicable in relation to the payment obligations of the Company under the DTD.
Tax Deduction	means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
Transaction Documents	has the meaning given to it in Section 7.1
Wilful Defaulter	shall mean a person who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes a person whose director or promoter is categorized as such.

For HINDUJA LEYLAND FINANCE LTD.



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REGULATORY DISCLOSURES

1. LIST OF DOCUMENTS TO BE FILED WITH STOCK EXCHANGE

The Issuer has filed/shall file the following documents with the Stock Exchange along with the listing application seeking listing of securities issued under this Information Memorandum:

- a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- b) Copy of last 3 (three) years audited Annual Reports;
- c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- d) Copy of the resolution of the board of directors of the Company passed at its meeting held on 17th May, 2022 and 19th September 2022 authorizing the borrowing and list of authorized signatories;
- e) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc and the same would be uploaded on the website of the BSE, within 5 (five) working days of execution of the same;
- f) Any other particulars or documents that the BSE may call for as it deems fit; and
- g) An undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, where applicable, in favor of the Debenture Trustee has been obtained.

2. LIST OF DISCLOSURES TO BE SUBMITTED TO THE DEBENTURE TRUSTEE

The Issuer has submitted/shall submit the following disclosures to the Debenture Trustee in electronic form at the time of allotment of debt securities issued under this offer document:

- a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- b) Copy of last 3 (three) years audited Annual Reports;
- c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any
- e) An undertaking to the effect that the Issuer would, till the redemption of the Debentures, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 as amended from time to time, for furnishing / publishing its half yearly/ annual result.

Further, the Issuer shall within 180 (one hundred and eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within 2 (two) working days of their specific request.

3. BRIEF PARTICULARS

A	Name of the Issuer	Hinduja Leyland Finance Limited
	Website of the Issuer	Website: http://www.hindujaleylandfinance.com Email ID: compliance@hindujaleylandfinance.com
B	Registered Office of the Issuer	Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai-400018 Tel: 022-6136 0407 Fax: 022-2496 0707

C	Corporate Office of the Issuer	27-A, Developed Industrial Estate, Guindy, Chennai – 600032 Tel:044-39252533 Fax: 044-3925 2553 Website: http://www.hindujaleylandfinance.com Email ID: compliance@hindujaleylandfinance.com
D	Nodal/Compliance Officer of the Issuer	B Shanmugasundaram Company Secretary and Compliance Officer 27-A, Developed Industrial Estate, Guindy, Chennai – 600032 Tel: 044-39252523 Email ID: compliance@hindujaleylandfinance.com
E	Chief Financial Officer of the Issuer	Vikas Jain Chief Financial Officer 27-A, Developed Industrial Estate, Guindy, Chennai – 600032 Tel: 044-39252523 Email ID: vikas.jain@hindujaleylandfinance.com
F	Debenture Trustee of the Issue	IDBI Trusteeship Services Limited Ground Floor, Asian Building, Ballard Estate, Mumbai 400001 Tel: 022-40807000 Email ID: itsl@idbitrustee.com
G	Registrar & Transfer Agent of the Issue	LINK INTIME INDIA PRIVATE LIMITED C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400083, Tel: 022 – 4918 6000 Email ID : rnt.helpdesk@linkintime.co.in
H	Credit Rating Agencies of the Issue	CARE Ratings Limited 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai, Maharashtra 400022 Tel: 022- 6754 3456 Email ID: care@careratings.com
I	Auditors of the Issuer	M/s Walker Chandiok & Co LLP Chartered Accountants Firm Registration No. 001076N/N500013 11 th Floor, Tower 11, One International Center, B Marg Prabhadevi (W) Mumbai - 400013 Suresh Surana & Associates LLP, Chartered Accountant Firm Registration No. 121750W/W100010 Apex Towers, 2 nd Floor No 54, 2 nd Main Road, Raja Annamalaipuram, Chennai – 600 028

For HINDUJA LEYLAND FINANCE LTD.


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4. BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS

a) OVERVIEW

History of the Issuer

Hinduja Leyland Finance Limited was incorporated on November 12, 2008, as a public limited Company under the Companies Act, 1956, with a certificate of incorporation granted by the RoC. The Company received its certificate of commencement of business from the RoC on March 4, 2009. Pursuant to a certificate issued by the RBI on March 22, 2010, it was permitted to commence operations as a NBFC under section 45 IA of the Reserve Bank of India Act, 1934. Hinduja Leyland Finance Limited was originally classified as a SI-NBFC-ND in the calendar year 2010 and was subsequently granted the status of an NBFC-AFC by the RBI pursuant to a certificate of registration received on May 12, 2014. It is one of India's leading non-banking finance companies operating from 1500+ locations spread across 22 states pan-India. Through a vast network of branches, it provides customized finance for the widest range of utility vehicles, tractors, cars, two-wheeler and other commercial vehicles, focusing on the semi-urban and rural sector.

Hinduja Leyland Finance Limited is a conglomerate of "Hinduja Group" which has global presence in Automobiles, Energy & Chemicals, IT/ITES, Banking and Finance, Media/Entertainment and Infrastructure.

Business of the Issuer

The Company is one of the leading vehicle finance NBFCs in India (Source: ICRA - Retail NBFC and HFC Credit Report, 2016) with a focus on urban and semi-urban markets. We provide retail finance through a wide range of vehicle financing products. It has 1500+ locations as on date spread across 20 states in India.

HLF has put in place a process which is evolved on the principles laid down here in, our enterprise solution seeks to provide a comprehensive understanding of the business process governing the financing of vehicles. Underlying theme or the objective of this application is to enable even a new entrant to the business to understand business risks, his role and the role of other participants in the process. Every activity underscores in its process the role of the maker, checker and reviewer.

In order to minimize the time taken for review by three layers in every process, we have, through technology, achieved reduced / minimum flow of documents physically. In many of the processes the checkers role is embedded in the validation mode in the system so that there is no physical verification is necessary for ensuring accuracy.

The following process is has been embedded in our business process to strengthen our operations by minimizing risks:

- **De-duping**

This is the exclusivity feature in HLF business activity. The purpose of this feature is to track multiple loans to the same customer across products.

- **Credit Scoring**

In our business process we have developed credit scoring module that would match with our business needs. We decide customers' loan eligible amount by using this feature. We have configured the questions for credit scoring and the score corresponding to those questions in a way that it can be changed based on our operational requirements.

- **Integrated accounting**

We have inbuilt accounting module to track all the accounting entries. We have used CGAP standards to build this module. Our accounting module is strongly integrated with both operational and financial modules. This builds transparency and accountability in the business-flow.

For Hinduja Leyland Finance



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- **Reports**

All the reports are generated real time so that in case of any discrepancy there can be early rectification. We have an internal team who closely monitors the reports on real-time and do necessary follow-ups from the field and this is one of the ways we minimize risk in our business.

Strengths

The core strengths of our business are:

- *Track record of business growth and consistent financial performance:* We have achieved consistent growth in our business and financial performance.
- *Synergy with ALL and parentage of the Hinduja group:* We derive certain business synergies from ALL. Our relationship with ALL assists us in sourcing customers, expanding our operational network and increasing market penetration.
- *Experienced and proven leadership supported by a senior management team:* We believe that the expertise and industry knowledge of our senior management team has enabled us to accelerate the growth in our business. Our board of directors has experience across a broad range of disciplines.
- *Risk mitigation through a wide range of assets financed and a geographically diversified AUM with a focus on urban and semi-urban markets*
- *Expansive and cost effective operational network:* We have invested in our technology infrastructure and streamlined our operating processes to develop a large, scalable operational network and enhance our relationships with OEMs, dealers and customers. We have developed an ERP system and a web-enabled platform to track our loan portfolio from origination to closure and monitor our operating performance on a real-time basis.
- *Independent risk management processes for credit analysis and underwriting:* Our underwriting and credit management processes are specific to each asset class we finance. This enables us to develop a diversified asset portfolio across a range of asset classes and geographic regions.

b) CORPORATE STRUCTURE

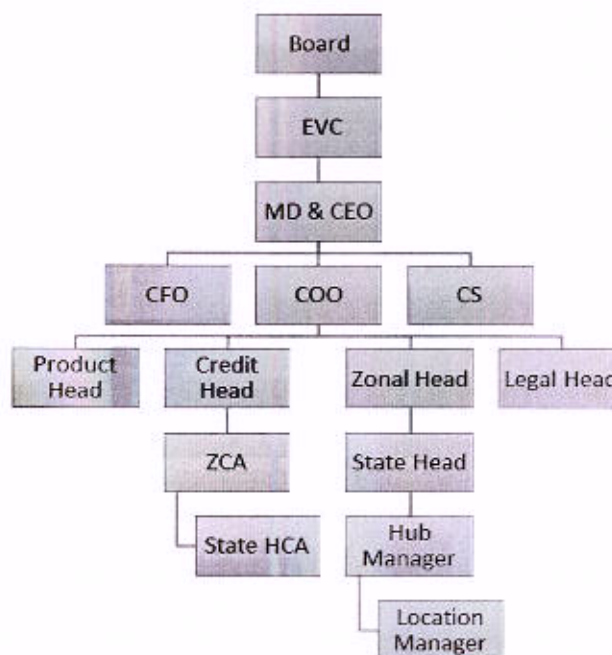
The operations of the Company are managed by Board of Directors, with the Executive Vice Chairman and Chief Executive Officer involved in day-to-day management decisions and policy matters. The Company have also appointed senior managers who are designated as State heads and are responsible for a specific State or region. The Company's senior management work closely with the branches as the hubs and the Business Locations as the spokes in our network model.

The following illustration sets out the organization structure:

HINDUJA LEYLAND FINANCE LTD.



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c) BRIEF PARTICULARS OF THE MANAGEMENT OF THE COMPANY;

1. Mr. S. Nagarajan, is Executive Vice Chairman of our company. He is a chartered accountant and a member of the Institute of Chartered Accountant of India and a company secretary and member of the Institute of Company Secretaries of India. Mr. Nagarajan has over four and half decades of experience in the banking, automobile and financial services industry. He was the joint managing director of IndusInd Bank Limited for over three years. Mr. Nagarajan started his career at Ashok Leyland Limited, and held the position of managing director at Ashok Leyland Finance Limited (which subsequently merged with IndusInd Bank Limited) for several years. He is responsible for the management of our Company's day to day affairs, giving directions on policy related matters and monitoring their compliance.
2. Mr. Sachin Pillai, is the Managing Director and Chief Executive Officer of our Company. He holds a bachelor's degree in business administration in marketing from Sardar Patel University and a master's degree in business administration from Chakravarti Rajagopalachari Institute of Management. He has several years of experience in the field of financial services. He is responsible for establishing and implementing systems to execute our Company's strategic plan on various issues, including issues relating to business development, grounds for identifying the avenues for development, market opportunities, and forecasting data to drive decision-making around business development. Prior to joining our Company, he was associated with Reliance Capital Limited as the executive vice president, group business head and with HDFC Bank Limited, where he was the vice president.
3. Mr. Vikas Jain has been appointed as the CFO of Hinduja Leyland Finance. He has been with the company for almost 4 years. Mr. Vikas is Qualified Chartered Accountant and he joined us from Bajaj Finserv, Pune where he was heading Corporate Audit for Bajaj Housing Finance. During his tenure at Bajaj Finserv, he played a key role to set corporate audit processes and manage audits of all business and functions. Prior to Bajaj Finserv, he had a 5 year stint with Price Waterhouse Coopers, Mumbai as part of Assurance advisory group for Financial services.
4. Mr. Vamsi Kumar is the Chief Operating Officer of our Company. He holds a Masters Degree in Business Administration with over 22 years of experience in handling overall

strategy – vehicle and supply chain finance, consumer loans, risk and receivables management, process and compliance. Prior to joining HLF he was the Group business head at Reliance Capital. Prior to that he was also associated with HDFC Bank and Bajaj Auto Finance

5. Mr. B. Shanmugasundaram is the Company Secretary and Compliance Officer of our Company. He holds a master's degree in economics from the University of Madras. He is a fellow member of the Institute of Company Secretaries of India. Prior to joining HLF, he was working with Sundaram Fasteners Limited as Assistant General Manager – Secretarial and was responsible for secretarial and compliance affairs. He has also worked with India Motor Parts & Accessories Limited as the company secretary for over 5 years.

d) NAMES, ADDRESSES, DIRECTOR IDENTIFICATION NUMBER (DIN) AND OCCUPATIONS OF THE DIRECTORS

Name, Designation and Occupation	Age (years)	DIN	Address
Mr. Dheeraj G Hinduja Designation: Chairman Occupation: Industrialist	51	00133410	24, Carlton House Terrace, London SW1Y4TE, United Kingdom
Mr. S. Nagarajan Designation: Executive Vice Chairman Occupation: Service	74	00009236	Flat No.3, Ashoka Terrace, 5B, Warren Road, Mylapore, Chennai 600 004, Tamil Nadu, India
Mr. Sachin Pillai Designation: Managing Director and Chief Executive Officer Occupation: Service	50	06400793	Appu, 24/37, Radhakrishna Nagar Main Road, Thiruvanmiyur, Near Saraswathi School, Chennai 600041, India
Mr. Gopal Mahadevan Designation: Non-executive Director Occupation: Service	56	01746102	Chaitanya Laurels Flat No B 703, Old No 59/60 New No. 81/83, CP Ramaswamy Road, Alwarpet, Teynampet, Chennai – 600018, India
Mr. Sudhanshu Tripathi Designation: Non-executive Director Occupation: Service	63	06431686	703, Casa Grande, 7 th Floor, S B Marg, Lower Parel West Mumbai Maharashtra 400013, India
Mr. G.S. Sundararajan Designation: Independent Director Occupation: Service	62	00361030	Flat 1002, The Summit, No. 6, 1st Avenue, Shastri Nagar, Chennai – 600020, India
Mr. R. S. Sharma Designation: Independent Director Occupation: Service	71	00013208	B3-1102, The World Spa (W), Sector 30, Gurgaon 122 001, Haryana, India
Mr. Debabrata Sarkar Designation: Independent Director Occupation: Service	69	02502618	Mayfair Boulevard (Narayan Apartments) Flat No. 701, Main Avenue Santacruz (West), Mumbai 400 054, Maharashtra, India
Ms. Manju Agarwal Designation: Independent Director	65	06921105	14254 ATS One Hamlet, GH 01, Sector 104, Noida, Gautam Buddha Nagar,



Name, Designation and Occupation	Age (years)	DIN	Address
Occupation: Service			Uttar Pradesh- 201301, India
Ms. Bhumika Batra Designation: Independent Director Occupation: Service	41	03502004	32, Mody Street Fort, Mumbai – 400 001, Maharashtra, India
Mr. Jean Brunol Designation: Independent Director Occupation: Service	70	03044965	34 Boulevard Victor HUGO,92 200 Neuilly Sur Seine,France

e) SUMMARY OF BUSINESS / ACTIVITIES

The Company is one of the leading vehicle finance NBFCs in India (Source: ICRA - Retail NBFC and HFC Credit Report, 2016) with a focus on urban and semi-urban markets. We provide retail finance through a wide range of vehicle financing products. It offers a wide range of products to suit the customer needs at affordable cost. It has 1500+ locations as on date spread across 20 states in India.

The Company finances a wide range of commercial and personal vehicles, which include medium and heavy commercial vehicles ("MHCVs"), light commercial vehicles ("LCVs"), small commercial vehicles ("SCVs"), cars, multi-utility vehicles, three wheelers, and two wheelers, as well as various kinds of used vehicles. Its vehicle finance business has a diversified customer base comprising of First Time Buyers, Captive Users, Retail Operators, Strategic and Large Fleet Owners, Small Truck Owners ("STOs"), and self-employed individuals, who are largely based in urban and semi-urban locations.

The Company also finances tractors and construction equipment and provide loans against property ("LAP"). In September 2015, the Company has received a certificate to commence housing finance business through their wholly owned subsidiary, Hinduja Housing Finance Limited, which focuses on providing finance for affordable housing loans.

HLF has put in place a process which is evolved on the principles laid down here in, our enterprise solution seeks to provide a comprehensive understanding of the business process governing the financing of vehicles. Underlying theme or the objective of this application is to enable even a new entrant to the business to understand business risks, his role and the role of other participants in the process. Every activity underscores in its process the role of the maker, checker and reviewer.

In order to minimize the time taken for review by three layers in every process, we have, through technology, achieved reduced / minimum flow of documents physically. In many of the processes the checkers role is embedded in the validation mode in the system so that there is no physical verification is necessary for ensuring accuracy.

CREDIT RATING

Bank Loan Ratings

Month	Amount Rated (in Crores)	Rating	Remarks
October 2021	100	IND AA- (Stable)	Reaffirmed
December 2022	17,53	CARE AA (Stable)	Upgraded
December 2022	200	CARE A1+	Reaffirmed
March 2022	3,000	CRISIL AA- (Stable)	Reaffirmed



Commercial Paper

CARE Rating Ltd and CRISIL Ltd has assigned credit rating of "CARE A1+" (CARE A One plus) & "CRISIL A1+" (CRISIL A One plus) respectively to the Commercial Paper outstanding programme of the Company amounting to INR 1,800 Crores.

Non-Convertible Debentures

On 23rd January 2023 credit rating letter was issued by CARE Ratings Limited has assigned the credit rating of "[PP MLD AA]" (read [Double A] the issuance of Proposed Non-Convertible Market Linked Debenture issue programme and the rated amount is Rs 50 crores (Rupees Fifty Crores Only) with Green Shoe option of Rs.100 Crores (Rupees Hundred Crores Only). The rating letter issued by Rating Agency for the non-convertible debentures is attached herewith as Annexure 3.

Subsidiaries of the Company

Hinduja Housing Finance Limited

OPERATING MODEL OVERVIEW

Product Details:

The Company has been registered with the RBI since March 22, 2010 as a non-deposit taking systemically important NBFC under Section 45-IA of the Reserve Bank of India Act, 1934 and since May 2014 it has been classified as an NBFC-Asset Finance Company. The Company's two principal business verticals are asset finance and housing finance. HLF operates the asset finance business while its wholly-owned subsidiary, Hinduja Housing Finance Limited, has received an operating license in September 2015 for housing finance business.

HLF has put in place a process which is evolved on the principles laid down here in, our enterprise solution seeks to provide a comprehensive understanding of the business process governing the financing of vehicles. Underlying theme or the objective of this application is to enable even a new entrant to the business to understand business risks, his role and the role of other participants in the process. Every activity underscores in its process the role of the maker, checker and reviewer.

In order to minimize the time taken for review by three layers in every process, we have, through technology, achieved reduced / minimum flow of documents physically. In many of the processes the checkers role is embedded in the validation mode in the system so that there is no physical verification is necessary for ensuring accuracy

Our asset finance products include:

Commercial Vehicles: We finance the purchase of new commercial vehicles, including MHCVs, which are used for carrying goods, and LCVs, which are used for carrying goods and passengers. In the CV segment, our customers include primarily Captive Users and FTBs. Some of these customers typically have limited access to bank loans for commercial vehicle financing and limited or no credit history

Two Wheelers: We finance the purchase of two wheelers. Our customers in this segment primarily include individuals.

Three Wheelers: We finance the purchase of three-wheelers in the goods as well as in the passenger segment. Customers in the three-wheeler segment primarily include FTBs.

Tractors: We finance the purchase of tractors. Our customers for tractors primarily include agriculturists, who have cultivable land and use the tractors for their own use.

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Used Vehicles: We finance the purchase of used vehicles, typically MHCVs, LCVs, cars, tractors and three wheelers up to 10 years of age. Our customers for used vehicles primarily include FTBs.

Construction Equipment: We finance the purchase of construction equipment used for road construction, mining and infrastructure projects. Our customers in this segment primarily include FTBs that are incidental to the infrastructure, predominantly in the construction of roads and mining sectors. We believe that this business segment is a logical extension of our product portfolio to our existing customer base.

Loan against Property: Our LAP business is primarily targeted at individual/non-individual entities, professional and salaried individuals in transport sector to meet working capital requirements or to facilitate debt consolidation against the security of residential or commercial property. Our LAP business typically involves loans ranging between ₹ 1.00 million and ₹ 100.00 million, based on the type of customers with loan tenures that typically range between 10 and 15 years. We commenced the LAP business in Fiscal 2015.

Trade Advances: We provide trade advances to dealers, which enable their customers to enter into direct contracts with us. These arrangements ensure that the financing process is efficient and enable us to maintain close relationships with dealers and customers. We provide short-term trade advances to established dealers of leading manufacturers of commercial vehicles, two wheelers and construction equipment to enable them to carry adequate inventory. As the trade advances are unsecured, the aggregate outstanding under trade advances is limited to ₹ 2.50 Billion.

While most of the financing by the Company is for new vehicles, the Company does have a small portion of used vehicle finance portfolio. Used vehicle finance formed around 6.2% of the Total Company's Asset under management as of March 2020.

Since inception, HLF has been working towards supporting entrepreneurs realize their dreams by financing vehicles. The large geographical coverage is marked by a hub-and-spoke approach through an array of regional, branch and pocket offices. One of the key offering covers Heavy Commercial Vehicles. HLF is exclusively tied up with Ashok Leyland heavy vehicle department and enjoy special offers.

f) KEY OPERATIONAL AND FINANCIAL PARAMETERS

Parameters Upto latest	INDAS						GAAP		
	HY	FY	FY	FY	FY	FY	FY	FY	FY
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2015-14
Networth	3,824	3,852	3,825	3,246	2,724	2,020	1,385	1,069	917
Total Debt	17,112	16,307	17,403	16,987	17,007	13,157	9,417	7,351	4,827
of which – Non Current Maturities of Long Term Borrowing	10,722	9,928	10,384	10,902	10,453	8,941	6,109	5,167	2,996
- Short Term Borrowing	304	463	549	468	1,498	1,235	364	593	650
- Current Maturities of Long Term Borrowing	6,086	5,916	6,470	5,617	5,056	2,981	2,944	1,591	1,180
Net Fixed Assets	84	82	85	51	49	47	48	43	35
Non-Current Assets* (total)	13,064	12,929	14,318	11,406	11,916	10,692	7,039	5,665	3,455
Cash and Cash Equivalents	583	798	808	829	242	126	66	89	72
Current Investments	489	257	105	177	751	260	219	264	285



Receivables under Financing Activity – Current Maturity	7,074	6,534	6,346	7,875	6,995	4,360	4,117	2,632	2,044
Receivables under Financing Activity – Non Current Maturity	11,564	10,797	12,442	10,664	11,111	9,746	6,251	5,340	3,146
Current Assets (total)	8,549	7,951	7,605	9,355	8,285	5,104	4,527	3,106	2,514
Current Liabilities (total)	6,905	6,905	7,449	6,491	7,012	4,832	3,867	2,484	2,058
Assets Under Management (AUM)	26,502	26,031	27,294	26,451	25,417	19,263	14,070	10,001	6,688
On Book AUM	21,582	21,127	22,240	21,065	21,283	16,136	12,200	9,346	6,038
Off Book AUM	4,920	4,904	5,054	5,386	4,134	3,127	1,870	655	650
Interest Income	1,310	2,660	2,493	2,679	2,243	1,743	1,315	978	692
Interest Expense	656	1,337	1,427	1,554	1,321	990	834	624	402
Provisioning & Write-offs	308	704	736	617	567	506	207	153	135
PBT	168	313	352	439	423	277	257	225	165
PAT	126	232	270	292	276	182	168	150	112
Gross NPA (%)	3.9	4.2	4.0	4.4	4.7	5.1	4.2	3.5	3.6
Net NPA (%)	2.7	2.8	2.0	2.6	3.0	3.1	3.1	2.8	2.9
Capital Adequacy Ratio (%)	17.6	18.7	18.0	17.3	17.0	17.0	15.8	16.2	19.7

g) GROSS DEBT EQUITY RATIO OF THE COMPANY

Before the issue of Debentures as on September 30, 2022	4.2
After the issue of Debentures	4.2

h) PROJECT COST AND MEANS OF FINANCING, IN CASE OF FUNDING NEW PROJECTS

NA

i) CLASSIFICATION OF LOANS AND ADVANCES

a) Type of loans

		(Amount in Crore)
S.No	Type of loans	FY 21-22
1	Secured	25,818.4
2	Un-Secured	212.6
	Total assets under management (AUM)	26,031

b) Details of Sectoral exposures and NPA

S.No	Segment wise break up of AUM	% of AUM in FY22
1	Retail	
A	Mortgages	
	- Home Loan	
	- Loan against property	18.2



B	Gold Loan	
C	Vehicle Finance	64.5
D	MFI	
E	MSME	
F	Capital Market Funding	
G	Others (Construction Equipment)	11.5
2	Whole Sale	
a	Infrastructure	
b	Real Estate	
c	Promoter Funding	
d	Any Other Sector	
e	Others	5.8
	Total	

c) Details of Outstanding loans category wise

Sr. No	TICKET SIZE	FY21-22 (Percentage of AUM)
1	1. <= 2.5 lacs	15.7
2	2. >= 2.51 Lacs and <= 5.0 Lacs	8.1
3	3. >= 5.0 Lacs and <= 7.5 Lacs	7.2
4	4. >= 7.5 Lacs and <= 10.0 Lacs	2.4
5	5. >= 10.0 Lacs and <= 15.0 Lacs	3.5
6	6. > 15.0 Lacs <=20.0 LACS	5.7
7	7. > 20.0 Lacs <= 25.0 Lacs	6.5
8	8. >= 25.0 Lacs	50.8
	Total	100.0

d) Details of Top 5 States borrower wise

Sr. No	Top 5 States	FY21-22 (Percentage of AUM)
1	TAMIL NADU	14.1
2	RAJASTHAN	13.0
3	MAHARASHTRA	11.2
4	KARNATAKA	7.1
5	ANDHRA PRADESH	6.3

e) Details of loans overdue and classified as non-performing

(Amount in Crore)

Particulars		FY 21-22
(i)	Movement of NPAs (Gross)	
	Opening balance	1,102
	Additions during the year	1,083
	Reductions during the year	1,100

	Closing balance	1,084
(ii)	Movement of Net NPAs	
	Opening balance	536
	Additions during the year	1,116
	Reductions during the year	919
	Closing balance	732
(iii)	Movement of provisions for NPA	
	Opening balance	566
	Provisions made during the year	-33
	Write-off / write-back of excess provisions	181
	Closing balance	352

f) Residual maturity profile of assets and liabilities – ALM

(Amount in Crores)

Particulars	FY 2021-22		
	Borrowings from banks	Loans & Advances	Investments
1 day to 7 days	1.7	70.9	-
8 days to 14 days	47.8	23.3	-
15 days to 30/31 days	209.6	74.9	30.0
Over one month to 2 months	367.8	644.6	15.0
Over 2 months to 3 months	838.1	721.3	0.4
Over 3 months to 6 months	1,288.4	1,658.9	95.4
Over 6 months to 1 year	2,533.0	3,340.1	116.5
Over 1 year to 3 years	6,238.4	6,908.3	92.7
Over 3 years to 5 years	1,759.6	2,386.8	131.4
Over 5 years	10.5	1,501.3	971.3
Total	13,295.0	17,330.6	1,452.6

For HINDUJA LEYLAND FINANCE LTD.



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1. A BRIEF HISTORY OF THE ISSUER SINCE ITS INCORPORATION

a) BACKGROUND

Hinduja Leyland Finance Limited was incorporated on November 12, 2008, as a public limited Company under the Companies Act, 1956, with a certificate of incorporation granted by the RoC. The Company received its certificate of commencement of business from the RoC on March 4, 2009. Pursuant to a certificate issued by the RBI on March 22, 2010, it was permitted to commence operations as a NBFC under section 45 IA of the Reserve Bank of India Act, 1934. Hinduja Leyland Finance Limited was originally classified as a SI-NBFC-ND in the calendar year 2010 and was subsequently granted the status of an NBFC-AFC by the RBI pursuant to a certificate of registration received on May 12, 2014. It is one of India's leading non-banking finance companies operating from 1500+ locations spread across 20 states pan-India. Through a vast network of branches, it provides customized finance for the widest range of utility vehicles, tractors, cars, two wheeler and other commercial vehicles, focusing on the semi-urban and rural sector.

Hinduja Leyland Finance Limited is part of the conglomerate of "Hinduja group" which has global presence in Automobiles, Energy & Chemicals, IT/ITES, Banking and Finance, Media/Entertainment and Infrastructure.

Particulars	Description
Date of Incorporation	12 th November, 2008
RBI Registration No.	N-07-00782
Corporate Identity Number	U65993MH2008PLC384221
Permanent Account Number	AACCH1807P
Constitution	Private limited Company operating as Systemically Important, Non-Deposit taking NBFC
Name of the Chief Functionary	Mr. S Nagarajan, Whole Time Director and Executive Vice Chairman
Financial Year	1 st April to 31 st March
Credit Rating	CARE A1+ from CARE for Commercial Paper CRISIL A1+ from CRISIL for Commercial Paper CARE AA (Stable) from CARE for Bank Loans, Non-Convertible Debentures, subordinated debt and PP MLD AA Market-Linked Debentures CRISIL AA- (Stable) from CRISIL for Bank Loans, Non-Convertible Debentures and subordinated debt
Registered Office	Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai-400018 Tel:022-6136 0407 Fax: 022-2496 0707Website: http://www.hindujaleylandfinance.com Email ID: compliance@hindujaleylandfinance.com
Statutory Auditors	M/s Walker Chandiook & Co LLP Chartered Accountants Firm Registration. No. 001076N/N500013 11 th Floor, Tower 11, One International Center, B Marg Prabhadevi (W) Mumbai - 400013 Suresh Surana & Associates LLP, Chartered Accountant Firm Registration No. 121750W/W100010 Apex Towers, 2 nd Floor No 54, 2 nd Main Road, Raja Annamalaipuram, Chennai – 600 028

b) CAPITAL STRUCTURE

For HINDUJA LEYLAND FINANCE LTD.



(i) Details of Share Capital as on October 31, 2022

Share Capital	Aggregate Nominal Value (in Rupees)
Authorised Capital	
622,907,700 equity shares of Rs.10/- each	6,229,077,000
Total Authorised Capital	6,229,077,000
Issued, Subscribed and Paid Up Capital	
534,896,990 equity shares of Rs.10 each	5,348,969,900

(ii) Details of present offer

Particulars	Amount in INR Crores	Remarks
Size of the present offer	150	Issue Of upto 5,000 Rated, Listed, Secured, Senior, Redeemable, Taxable, Principal Protected Non-Convertible Market Linked Debentures Of Face Value Of Rs. 1,00,000/- (Rupees One Lakhs Only) Each, Aggregating upto Rs. 50,00,00,000 (Indian Rupees Fifty Crores Only) on a Private Placement Basis (The "Issue") With A Green Shoe Option Of 10,000 Market Linked Debentures for an Amount upto Rs. 100,00,00,000 (Indian Rupees Hundred Crores Only) (The "Issue").
Paid-up capital		
➤ After the offer	470	Nil
➤ After conversion of convertible instruments (if applicable)	470	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
Share Premium account		
➤ Before the offer	967	Nil
➤ After the offer	967	Nil

(iii) Details of changes in authorised capital structure as on December 31, 2022 and for the last five years

Date of Change (AGM/EGM)	Rupees Crores	Particulars
12-Nov-08	3.00	Company Incorporated with Authorised Share Capital of Rs. 3 Crores
24-Dec-09	2.00	Increase in Authorised Share Capital from Rs. 3 Crores to Rs 5 Crores
29-Mar-10	45.00	Increase in Authorised Share Capital from Rs 5 Crores to Rs 50 Crores
1-Jun-10	25.00	Increase in Authorized Share Capital from Rs. 50 Crores to Rs 75 Crores
23-Jul-10	50.00	Increase in Authorised Equity Share Capital from Rs. 75 Crores to Rs. 125 Crores

Date of Change (AGM/EGM)	Rupees Crores	Particulars
26-Nov-10	100.00	Increase in Authorised Equity Share Capital from Rs. 125 Crores to Rs. 225 Crores
22-Aug-11	100.00	Increase in Authorised Equity Share Capital from Rs. 225 Crores to Rs. 325 Crores
24-Jul-12	50.00	Increase in Authorised Equity Share Capital from Rs. 325 Crores to Rs. 375 Crores
1-Jul-13	247.91	Change in Equity Share Capital from Rs. 375 Crores to Rs. 435 Crores Creation of new class of shares (Preference Shares) for Rs. 187,90,77,000/-
23-Mar-16	-	Amendment in authorized share capital of the Company Rs. 622.90 Crores divided into 435,000,000 equity shares of ₹ 10 each and 50,000,000 fully paid up CCCPPS of ₹ 37.58154 each to Rs. 622.90 million divided into 622,907,700 equity shares of ₹ 10 each
Total	622.91	Authorized Share Capital

(iv) Details of Equity Share Capital History of the Company as on last quarter ended November 30, 2022 and for the last five years (Also, refer note below)

Date of Allotment	No. of shares issued	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash, etc)	Nature of allotment	Cumulative			Remarks
						No of equity shares	Equity share capital (Rs.)	Equity share premium (Rs)	
23/06/2017	10,568,101	10	94	Cash	Rights Issue	42,27,24,022	42,27,240,220	84	N. A
22/09/2017	15,097,287	10	100	Cash	Rights Issue	43,78,21,309	43,78,213,090	90	N. A
09/11/2017	158,500	10	28	Cash	ESOP	43,79,79,809	43,79,798,090	18	N. A
30/01/2018	182,49,159	10	110	Cash	Rights Issue	45,62,28,968	45,62,289,680	100	N. A
13/02/2018	36,000	10	28	Cash	ESOP	45,62,64,968	45,62,649,680	18	N. A
13/02/2018	36,000	10	54.40	Cash	ESOP	45,63,00,968	45,63,009,680	44.40	N. A
24/03/2018	62,000	10	28	Cash	ESOP	45,63,62,968	45,63,629,680	18	N. A
24/03/2018	75,000	10	54.40	Cash	ESOP	45,64,37,968	45,64,379,680	44.40	N. A

Date of Allotment	No. of shares issued	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash, etc)	Nature of allotment	Cumulative			Remarks
						No of equity shares	Equity share capital (Rs.)	Equity share premium (Rs)	
12/05/2018	15,000	10	28	Cash	ESOP	45,64,52,968	45,64,529,680	18	N. A
12/05/2018	42,000	10	54.40	Cash	ESOP	45,64,94,968	45,64,949,680	44.40	N. A
21/07/2018	22,500	10	28	Cash	ESOP	45,65,17,468	45,65,174,680	18	N. A
22/09/2018	60,000	10	28	Cash	ESOP	45,65,77,468	45,65,774,680	18	N. A
22/09/2018	10,000	10	75	Cash	ESOP	45,65,87,468	45,65,874,680	65	N. A
10/12/2018	32,000	10	54.40	Cash	ESOP	45,66,19,468	45,66,194,680	44.40	N. A
31/12/2018	66,17,672	10	153	Cash	Rights Issue	46,32,37,140	46,32,371,400	143	N. A
26/03/2019	64,33,850	10	153	Cash	Rights Issue in the Company.	46,96,70,990	46,96,709,900	143	N. A
21/05/2019	18,000	10	28	Cash	ESOP	46,96,88,990	46,96,889,900	18	N. A
21/05/2019	26,000	10	54.40	Cash	ESOP	46,97,14,990	46,97,149,900	44.40	N. A
21/05/2019	5,000	10	110	Cash	ESOP	46,97,19,990	46,97,199,900	100	N. A
23/09/2019	10,000	10	75	Cash	ESOP	46,97,29,990	46,97,299,900	65	N. A
11/12/2019	22,500	10	54.40	Cash	ESOP	46,97,52,490	46,97,524,900	44.40	N. A
21/10/2020	15,000	10	28	Cash	ESOP	46,97,67,490	46,97,674,900	18	N. A



Date of Allotment	No. of shares issued	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash, etc)	Nature of allotment	Cumulative			Remarks
						No of equity shares	Equity share capital (Rs.)	Equity share premium (Rs)	
21/10/2020	15,000	10	75	Cash	ESOP	46,97,82,490	46,97,824,900	65	N. A
07/04/2021	46,500	10	28	Cash	ESOP	46,98,28,990	46,98,289,900	18	N. A
13/07/2021	15,000	10	75	Cash	ESOP	46,98,43,990	46,98,439,900	65	N. A
20/12/2021	19,000	10	54.40	Cash	ESOP	46,98,62,990	46,98,629,900	44.40	N. A
29/03/2022	10,000	10	28	Cash	ESOP	46,98,72,990	46,98,729,900	18	N. A
29/03/2022	20,000	10	54.40	Cash	ESOP	46,98,92,990	46,98,929,900	44.40	N. A
27/07/2022	4,000	10	54.40	Cash	ESOP	46,98,96,990	46,98,969,900	44.40	N. A
13/10/2022	6,50,00,000	10	140.00	Cash	Preferential Allotment	53,48,96,990	53,48,969,900	130	N. A
18/11/2022	1,00,000	10	110.00	Cash	ESOP	53,49,96,990	53,49,969,900	100	N. A
18/11/2022	21,000	10	54.40	Cash	ESOP	53,50,17,990	53,50,179,900	44.40	N. A

The number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case – Nil

(v) Details of any Acquisition or Amalgamation in the last 1 year

Nil

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(vi) Details of any Reorganization or Reconstruction in the last 1 year

Type of Event	Date of Announcement	Date of Completion	Details
Nil			

(vii) Details of the shareholding of the Company as on November 30, 2022

Name of Shareholder	Class of Shares	Total No of Equity Shares	No. of shares in Demat Form	Total shareholding as % of total no of equity shares
Ashok Leyland Limited	Equity	32,32,46,338	32,32,46,338	60.43
Hinduja Automotive Limited	Equity	12,22,67,542	12,22,67,542	22.86
Hinduja Capital Limited	Equity	2,07,86,550	2,07,86,550	3.89
Aasia Corporation LLP	Equity	4,89,388	4,89,388	0.09
Others - ESOP / Other Shareholders	Equity	31,07,172	31,07,172	0.58
Aviator Global Investment Fund	Equity	2,85,00,000	2,85,00,000	5.33
Afrin Dia	Equity	65,00,000	65,00,000	1.22
Connecor Investment Enterprise Ltd	Equity	1,00,00,000	1,00,00,000	1.87
Elara India Opportunities Fund Limited	Equity	1,00,00,000	1,00,00,000	1.87
LGO Global Opportunities Limited	Equity	1,00,00,000	1,00,00,000	1.87
Total Equity Shares		53,48,96,990	53,48,96,990	100

Notes: Shares pledged or encumbered by the promoters (if any) – Nil

(viii) List of Top 10 holders of equity shares of the Company as on November 30, 2022

S. no	Name of Shareholder	Class of Shares	Total No of Equity Shares	No of shares in demat form	Total shareholding as % of total no of equity shares
1	Ashok Leyland Limited	Equity	323,246,338	323,246,338	60.42
2	Hinduja Automotive Limited	Equity	122,267,542	122,267,542	22.85
3	AVIATOR GLOBAL INVESTMENT FUND	Equity	2,85,00,000	2,85,00,000	5.33
4	Hinduja Capital Limited (formerly known as Hinduja Power Limited)	Equity	20,786,550	20,786,550	3.89
5	CONNECOR INVESTMENT ENTERPRISE LTD	Equity	1,00,00,000	1,00,00,000	1.87
6	ELARA INDIA OPPORTUNITIES FUND LIMITED	Equity	1,00,00,000	1,00,00,000	1.87

7	LGOF GLOBAL OPPORTUNITIES LIMITED	Equity			1.87
			1,00,00,000	1,00,00,000	
8	AFRIN DIA	Equity			1.21
			65,00,000	65,00,000	
9	Mr. Nagarajan S	Equity	2,083,375	2,083,375	0.39
10	Aasia Corporation LLP	Equity	489,388	489,388	0.09
	Total Equity Shares		53,38,73,193	53,38,73,193	99.79

c) DETAILS REGARDING DIRECTORS OF THE COMPANY

(i) Details of Current directors of the Company*

Name, Designation and Occupation	Age (years)	DIN	Address	Director of the Company since
Mr. Dheeraj G Hinduja Designation: Chairman Occupation: Industrialist	51	00133410	24, Carlton House Terrace, London SW1Y4TE, United Kingdom	30-Aug-11
Mr. S. Nagarajan Designation: Whole Time Director and Executive Vice Chairman Occupation: Service	74	00009236	Flat No.3, Ashoka Terrace, 5B, Warren Road, Mylapore, Chennai 600 004, Tamil Nadu, India	12-Nov-08
Mr. Sachin Pillai Designation: Managing Director and Chief Executive Director Occupation: Service	50	06400793	Appu, 24/37, Radhakrishna Nagar Main Road, Thiruvanmiyur, Near Saraswathi School, Chennai 600041, India	11-Feb-20
Mr. Gopal Mahadevan Designation: Non-executive Director Occupation: Service	56	01746102	Chaitanya Laurels Flat No B 703, Old No 59/60 New No. 81/83, CP Ramaswamy Road, Alwarpet, Teynampet, Chennai – 600018, India	16-Mar-15
Mr. Sudhanshu Tripathi Designation: Non-executive Director	63	06431686	703, Casa Grande, 7 th Floor, S B Marg, Lower Parel West Mumbai Maharashtra 400013 India	13-Aug-15



Name, Designation and Occupation	Age (years)	DIN	Address	Director of the Company since
Occupation: Service				
Mr. G.S. Sundararajan Designation: Independent Director Occupation: Service	62	00361030	Flat 1002, The Summit, No. 6, 1st Avenue, Shastri Nagar, Chennai – 600020, India	21-May-19
Mr. R. S. Sharma Designation: Independent Director Occupation: Service	71	00013208	B3-1102, The World Spa (W), Sector 30, Gurgaon 122 001, Haryana, India	19-Dec-13
Mr. Debabrata Sarkar Designation: Independent Director Occupation: Service	69	02502618	Mayfair Boulevard (Narayan Apartments) Flat No. 701, Main Avenue Santacruz (West), Mumbai 400 054, Maharashtra, India	16-Mar-15
Ms. Manju Agarwal Designation: Independent Director Occupation: Service	65	06921105	14254 ATS One Hamlet, GH 01, Sector 104, Noida, Gautam Buddha Nagar, Uttar Pradesh- 201301, India	5-Jun-2018
Ms. Bhumika Batra Designation: Independent Director Occupation: Service	41	03502004	32, Mody Street Fort, Mumbai – 400 001, Maharashtra, India	4-Nov-2020
Mr. Jean Brunol Designation: Independent Director Occupation: Independent Director Occupation: Service	70	03044965	34 Boulevard Victor HUGO, 92 200 Neuilly Sur Seine, France	22-March-2022

* Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: None of the Directors are appearing in the RBI defaulter list and/or ECGC default list.

(ii) Details of change in directors since last three years

Name of Director and DIN	Date of appointment	Date of resignation /cessation	Director of the Company since	Designation	Remarks
Mr. G. S. Sundararajan DIN: 00361030	May 21, 2019		May 21, 2019	Independent Director	N/A
Mr. Sachin Pillai	February 11, 2020		February 11, 2020	Managing Director and Chief Executive	N/A

Name of Director and DIN	Date of appointment	Date of resignation /cessation	Director of the Company since	Designation	Remarks
DIN: 06400793				Director	
Ms. Bhumika Batra DIN: 03502004	November 4, 2020		November 4, 2020	Independent Director	N/A
Dr. Andreas Biagosch DIN: 06570499	November 10, 2016	November 9, 2021	November 10, 2016	Independent Director	N/A
Mr. Jean Brunol DIN: 03044965	March 22, 2022		March 22, 2022	Independent Director	N/A

d) DETAILS REGARDING AUDITORS OF THE COMPANY

(i) Details of the auditor of the Company

Name	Address	Auditor since
Walker Chandiook & Co LLP	11th Floor, Tower 11, One International Center, S B Marg Prabhadevi (W), Mumbai – 400013	19/09/2022
Suresh Surana & Associates LLP	Apex Towers 2nd Floor, No.54 (Old No.42) Second Main Road, R.A. Puram, Chennai – 600028	19/09/2022

(ii) Details of change in auditor since last three years

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of)	Remarks
M/s B S R and Associates	No. 10, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034	01/07/2013	04/07/2019	Expiry of Tenure
M/s Deloitte Haskins & Sells	19th Floor, 46-Prestige Trade Tower, Palace Road, High Grounds, Bengaluru, Karnataka – 560001	04/07/2019	19/09/2022	Expiry Of Tenure
Suresh Surana & Associates LLP	Apex Towers 2nd Floor, No.54 (Old No.42) Second Main Road, R.A. Puram, Chennai – 600028	19/09/2022		Appointed as Statutory Auditor of the Company at the Annual General Meeting of the Company held on 19 th September, 2022 for a period of 2 years (Previously appointed in the FY 2021-22)

Walker Chandio & Co LLP	11th Floor, Tower 11, One International Center, S B Marg Prabhadevi (W) Mumbai – 400013	19/09/2022		Appointed as Statutory Auditor of the Company at the Annual General Meeting of the Company held on 19 th September, 2022 for a period of 3 years (Appointed further to the retirement of Statutory Auditors M/s. Deloitte Haskins & Sells)
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e) DETAILS OF BORROWINGS OF THE COMPANY, AS ON 30th September 2022

(i) Details of secured loan facilities

Name of the Lender	Type of facility	No of Facilities	Amount Sanctioned (in Rs crores)	Limit Available (in Rs crores)	Principal Amount outstanding (in Rs crores)
Axis Bank	Term Loan	7	567	150	417
Bajaj Finance Limited	Term Loan	2	80	-	80
Bandhan Bank	Term Loan	1	300	200	100
Bank Of Baroda	Term Loan	8	957	-	957
Bank of India	Term Loan	1	406	-	406
Bank Of Maharashtra	Term Loan	2	687	-	687
Canara Bank	Term Loan	8	1,907	200	1,707
Central Bank Of India	Term Loan	7	878	250	628
CSB Bank	Term Loan	1	83	-	83
DBS Bank Limited	Term Loan	2	100	-	100
Deutsche Bank Term Loan	Term Loan	2	628	300	328
Development Credit Bank Ltd	Term Loan	1	37	-	37
Federal Bank	Term Loan	4	390	-	390
HDFC Bank	Term Loan	12	792	-	792
ICICI Bank	Term Loan	2	92	-	92
IDBI Bank	Term Loan	1	142	-	142
Indian Bank	Term Loan	19	1,426	150	1,276
Indian Overseas Bank	Term Loan	1	267	-	267
Karnataka Bank Limited	Term Loan	3	175	-	175
Karur Vysya Bank	Term Loan	1	117	-	117
Kotak Mahindra Bank	Term Loan	1	119	-	119
MUDRA	Term Loan	1	311	-	311
Punjab National Bank	Term Loan	10	2,175	-	2,175
SIDBI	Term Loan	4	1417	500	917
South Indian Bank	Term Loan	3	150	-	150
State Bank Of India	Term Loan	5	990	-	990
UCO Bank	Term Loan	3	237	-	237
Ujjivan Small Finance Bank	Term Loan	1	21	-	21

Union Bank Of India	Term Loan	8	1,299	-	1,299
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(ii) Details of unsecured loan facilities

INR in Crores

Sl No	Lender's Name	Type of facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date/Schedule
1	Northern Arc	Unsecured Loan	75	75	Bullet

(iii) Details of Non-Convertible Debentures

Sr No	ISIN/ Debenture Series	Tenor / Period of maturity	Coupon	Amount Issued (Rs in crore)	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
2	INE146O08100	7 Yrs	9.40%	100	28-Aug-17	28-Aug-24	"AA" by CARE	Unsecured	Nil
3	INE146O08118	7 Yrs	9.20%	100	13-Sep-17	13-Sep-24	AA by CARE	Unsecured	Nil
4	INE146O08134	7 Yrs	10.15%	100	27-Mar-18	27-Mar-25	AA by CARE	Unsecured	Nil
5	INE146O08126	5 Yrs 6 Months	9.50%	50	27-Mar-18	23-Sep-23	AA by CARE	Unsecured	Nil
6	INE146O08142	6 Yrs	9.70%	150	18-Sep-18	18-Sep-24	PP-MLD AA by CARE	Unsecured	Nil
7	INE146O08159	5 yrs 6 month	11.60%	100	28-Mar-19	29-Sep-24	AA by CARE and AA-CRISIL	Unsecured	Nil
8	INE146O07375	3 yrs	9.25%	200	05-Jun-20	02-Jun-23	AA by CARE	Secured	Secured by specific assets by pari passu charge on hypothecation loan receivables with a security cover of 100% as per the terms of issue.
13	INE146O07425	36 months	8.50%	200	14-Dec-20	15-Dec-23	AA- by CARE	Secured	Secured by specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.

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14	INE146O07433	30 months	8.00%	55	30-Dec-20	28-Jun-23	PP-MLD AA by CARE	Secured	Secured by specific assets by pari passu charge on hypothecation loan receivables with a security cover of 100% as per the terms of issue.
15	INE146O08167	66 months	9.75%	45	16-Feb-21	18-Aug-26	AA- by CRISIL	Unsecured	Nil
16	INE146O08175	67 months	9.75%	55	08-Mar-21	08-Oct-26	AA- by CRISIL	Unsecured	Nil
17	INE146O08183	66 months	9.75%	50	19-Mar-21	18-Sep-26	AA- by CRISIL	Unsecured	Nil
18	INE146O08191	66 months	9.75%	75	26-Mar-21	25-Sep-26	AA by CARE and AA- CRISIL	Unsecured	Nil
19	INE146O07441	21 months	7.95%	250	14-May-21	14-Feb-23	AA- by CARE	Secured	Secured by specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
20	INE146O07458	30 months	7.80%	125	25-May-21	24-Nov-23	CARE PP MLD AA	Secured	Secured by specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
21	INE146O08209	84 months	9.75%	50	22-Apr-21	21-Apr-28	AA by CARE and CRISIL AA-	Unsecured	Nil
22	INE146O08175 (Re-issue)	65 months	9.75%	50	30-Apr-21	08-Oct-26	AA- by CRISIL	Unsecured	Nil
23	INE146O08217	66 months	9.70%	50	19-Jul-21	19-Jan-27	AA by CARE	Unsecured	Nil
24	INE146O07466	27 months	7.80%	50	29-Sep-21	29-Dec-23	AA by CARE	Secured	Secured by specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110%

25	INE146O07466 (reissue)	26 months	7.80%	50	02-Nov- 21	29-Dec-23	AA by CARE	Secured	Secured by specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110%
25	INE146O07474	24 months	7.45%	200	08-Mar- 22	08-Mar-24	AA by CARE	Secured	Secured by specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110%

(iv) List of Top 10 debenture holders as on September 30, 2022

Name of the Debenture Holder	Amount (INR crores)
HDFC Mutual Fund	375
Union Bank of India	200
State Bank of India	200
Tata Capital Financial Services Ltd	157
Sporta Technologies Private Limited	150
Axis Mutual Fund	70
The Federal Bank Limited	50
The Karnataka Bank Ltd	50
AU Small Finance Bank Limited	50
The South Indian Bank Ltd	50

(v) The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group Company, etc.) on behalf of whom it has been issued

Nil

(vi) Details of Commercial Paper

The total face value of commercial papers outstanding as on December 31 2020:

Nil

(vii) Details of rest of the borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on 31st December 2022



Party Name (In case of Facility) / Instrument Name	Type of Facility / Instrument	Credit Rating	Amount Sanctioned / Issued	Principal amount Outstandin g	Repaym ent Date / Schedul e	Secured / Unsecured	Secu rity
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(viii) Details of all default/s and/or delay in payments of Statutory dues, interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years and before.

Particulars	Amount Involved	Duration of Default	Present Status
Statutory Dues	Nil	Not Applicable	Not Applicable
Debentures and Interest thereon	Nil	Not Applicable	Not Applicable
Deposits and Interest thereon	Nil	Not Applicable	Not Applicable
Loan from any bank or financial institution and interest thereon	Nil	Not Applicable	Not Applicable

(ix) Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.

Nil

(x) Any Default in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder

Nil

f) Additional disclosures with regard to Non-Banking Finance Company

Details with regard to the lending done by the issuer out of the issue proceeds of debt securities in last three years, including details regarding the following

1.0 Lending Policy:

For our asset finance business, we have developed stringent credit policies in order to ensure the asset quality of our loan portfolio and the security provided for such loans. Most of the vehicles we finance are used for commercial purposes. As these are income-generating assets, we believe that this asset class reduces our credit risk. Any deviation from our standardized credit policies requires prior approval.

We have developed a standardized credit scoring methodology that is used for the credit evaluation of a potential borrower, which takes into account location of loan originated, loan-to-value ratio, age of borrower, type of financing product, credit history of borrower, existing credit profile borrower, type of borrower, i.e. whether an individual, a dealer or a corporate entity, and the number of existing loans. Our credit policies include guarantor requirement, loan approval limits, age limit for used vehicles, prepayment charges, inspection of RTO records, physical inspection and trade reference, etc.

1.1 Classification of loans/ advances given to associates, entities/ person relating to board, senior management, promoters, others, etc.;

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None

Classification of loans/ advances given, according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.;

Details under classification of loans and advances under the heading “Brief Summary of the Business/Activities of the Issuer and its line of business”

- 1.2 Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time;

Concentration of Advances:

	FY22	FY21
Total advances to Top 20 borrowers (in Rs crores)	631.1	650.3
Percentage of advances to 20 largest borrowers to Total advances of the applicable NBFC	3.35%	3.24%

Concentration of Exposure:

	FY22	FY21
Total exposure to Top 20 borrowers (in Rs crores)	1,022.5	1,248.5
Percentage of exposure to 20 largest borrowers to Total advances of the applicable NBFC	5.43%	6.22%

- 3.1.A portfolio summary with regard to industries/ sectors to which borrowings have been made;

Details under classification of loans and advances under the heading “Brief Summary of the Business/Activities of the Issuer and its line of business”

- 3.2.NPA exposures of the issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the issuer;

Details under classification of loans and advances under the heading “Brief Summary of the Business/Activities of the Issuer and its line of business”

- 3.3.Quantum and percentage of secured vis-à-vis unsecured borrowings made; and

Details under classification of loans and advances under the heading “Brief Summary of the Business/Activities of the Issuer and its line of business”

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3.4. Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI:

Not Applicable

- g) Disclosures with regard to interest of Directors, Litigations, Remuneration, Related Party disclosures, etc.**
- (i) Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.**

Nil

- (ii) Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree Company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.**

Nil

- (iii) Remuneration of directors (during the current year and last three financial years)**

The details of remuneration paid to the Managing Director and other Directors of the Company are summarized in the below table:

Name of the Director	Year	Remuneration (in Rs. In lakhs)
Mr. S Nagarajan	2013-14	176
	2014-15	186
	2015-16	293
	2016-17	366
	2017-18	276
	2018-19	340
	2019-20	378
	2020-21	403
	2021-22	431
Mr. Sachin Pillai	2017-18	225
	2018-19	288
	2019-20	283
	2020-21	324
	2021-22	372

- (iv) Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.**

Amount in Rs. lakhs

Nature of transaction	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
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Salaries and allowances to Key Managerial personnel							
Key Managerial Personnel	293	556	500	689	807	1,003	1,281
Investments in equity shares							
Subsidiary	1,500	7,500	3,000	3,000	4,000	2,500	7,754
Joint Venture	-	-	-	-	-	-	1,000
Reimbursement of expenses							
-Subsidiary	16	161	333	64	104	125	370
-Holding company				-	1	60	53
-Joint Venture	-	-	-	-	-	-	114
Intercompany Deposits							
-Subsidiary	-	-	-	-	-	-	-
-Holding company	-	-	-	-	-	-	-
-Joint Venture	-	-	-	-	-	-	50
Interest/ finance income							
-Holding Company	29	19	-	-	-	-	-
- Fellow Subsidiary	43	584	503	463	699	768	-
Stock options issued (in numbers)							
-Key Managerial Personnel	4,40,000 options	16,40,000 options	60,000 options	70,000 options	10,000 options	15,000 Options	-
Purchase of services:							
a. Service provider fee							
-Associate	3,204	5,442	6,996	7,410	8,622	10,612	12,255
b.. Sourcing and marketing expenses							
- Associate	-	454	1,136	-	-		
Other operating income							
-Holding Company	10	-	-			123	80
-Associate	2,040	3,187	5,854	9,305	-	-	-
Amounts due from related							
-Holding Company	7	-	-				
-Associate	3,509	5,553	6,580	11,359	5,186	-	-
-Subsidiary		89	26	-	-		-
-Fellow Subsidiary		7,378	4,539	5,213	-		-

(v) Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the

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Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark.

Nil

- (vi) Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous Company law in the last three years immediately preceding the year of circulation of offer letter in the case of Company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the Company and all of its subsidiaries.

Nil

- (vii) The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the ongoing concern status of the Company and its future operations

Nil

- (viii) Details of acts of material frauds committed against the Company in the last three years, if any, and if so, the action taken by the Company.

Amount in Rs. lakhs

S No	Period of Occurrence	Amount Involved	Modus Operandi	Action Taken and Status of the case
1	2017-18	31.65	Employee defalcation	Under Investigation by the Company
2	2018-19	3	Employee defalcation	Under Investigation by the Company
3	2019-20	9.39	Employee defalcation	Under Investigation by the Company
4	2020-21	3983	Employee defalcation	Under Investigation by the Company and recovered Rs.2540 Lakh till date

- (ix) Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of Information Memorandum

Amount in Cr.

Financial Year	PBT	PAT
2021-22	313	232
2020-21	352	270
2019-20	439	292

- (x) Dividends declared by the Company in respect of the said 3 (three) financial years;

Amount in Cr.

Financial Year	Dividend
2021-22	Nil
2020-21	Nil
2019-20	Nil

- (xi) Interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)

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Financial Year	Ratio
2021-22	1.2
2020-21	1.2
2019-20	1.2

h) DETAILS OF THE PROMOTERS AND OTHER INFORMATION/DISCLOSURES ABOUT THE COMPANY

(i) Details of Promoter Holding in the Company as on the latest quarter ended, 30th September 2022

Sl. No	Name of shareholder	Total no of equity shares	No. of shares in demat form	Total shareholding as on % of total no of shares	No of Shares Pledged	% of Shares pledged with respect to shares owned
1	Ashok Leyland Limited	32,32,46,338	32,32,46,338	68.8	Nil	Nil

(ii) Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any.

Standalone financial information of the Company for last three financial years:

Balance Sheet- Refer to Annexure 6

Statement of Profit and Loss Account- Refer to Annexure 6

Cash Flow Statement- Refer to Annexure 6

(iii) Abridged version of Latest Audited/Limited Review Half Yearly Consolidated and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditors' qualifications, if any.

Limited Review (Standalone) Financial Results for the Half Year Ended 30th September 2022

Refer to Annexure 6

Auditor Qualifications, if any – Nil

(iv) Financial position of the Company for the last 3 financial years/A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Information Memorandum/ Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Information Memorandum

Standalone financial information of the Company for last three financial years:

Balance Sheet- Refer to Annexure 6

Statement of Profit and Loss Account- Refer to Annexure 6

Cash Flow Statement- Refer to Annexure 6

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- (v) **Change in accounting policies during the last three years and their effect on the profits and the reserves of the Company.**

Loan origination costs and income

Effective April 1, 2014, the Company changed its accounting policy of recognizing the loan origination cost and income from up front recognition to deferral and consequent amortisation thereof over the tenure of the loan. This change was effected on a prospective basis. Pursuant to such change, there has been an increase in profit for the year by Rs. 4.12 crores.

- (vi) **Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event, etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.**

Nil

- (vii) **Date of passing of Board resolution**

17th May, 2022 & 19th September 2022

- (viii) **Date of passing of resolution in the general meeting, authorising the offer of securities**

27th June, 2022

- (ix) **Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued**

Please refer Section 6

- (x) **Price at which the security is being offered, including premium if any, along with justification of the price**

The Debentures are being offered at face value of INR 1,00,000 per Debenture. Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.

- (xi) **Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the Registered valuer**

Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.

- (xii) **Relevant date with reference to which the price has been arrived at**

Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.

- (xiii) **The class or classes of persons to whom the allotment is proposed to be made**

Please refer Section 6.

- (xiv) **Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [not required in case of issue of non-convertible debentures]**

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Not applicable as the Debentures are non-convertible debt instruments

(xv) The proposed time within which the allotment shall be completed

The Debentures will be deemed to be allotted on 27th January, 2022 (i.e., the Deemed Date of Allotment), and the Company will ensure that the Debentures are credited into the demat accounts of the holders of the Debentures ("Debenture Holders") within 2 business days from the Deemed Date of Allotment, each in accordance with the Debenture Trust Deed. In any case, the period within which the Debentures will be allotted will not exceed the maximum period of 60 (sixty) days from the date of receipt of application money prescribed under the Companies Act, 2013.

(xvi) The names of the proposed allottees and the percentage of post private placement capital that may be held by them [not required in case of issue of non-convertible debentures];

Not applicable as the Debentures are non-convertible debt instruments.

(xvii) The change in control, if any, in the Company that would occur consequent to the private placement

Not applicable as the Debentures are non-convertible debt instruments.

(xviii) The number of persons to whom allotment on preferential basis/private placement / rights issue has already been made during the year (Financial year), in terms of number of securities as well as price

NIL

(xix) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer

Not applicable as the Debentures are non-convertible debt instruments which are being issued at face value

(xx) Terms of raising of securities:

Duration, if applicable:	Please refer Section 6
Date of Maturity of the Debentures	Please refer Section 6
Rate of Interest or Dividend:	Please refer Section 6
Mode of Payment	Cheque(s)/ demand draft/ electronic clearing services(ECS)/credit through RTGS system/funds transfer
Mode of Repayment	Cheque(s)/ demand draft/ electronic clearing services(ECS)/credit through RTGS system/funds transfer
Redemption Amount	I. Please refer Section 6

For HINDUJA LEYLAND FINANCE LTD.



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Business Day Convention	As set out in the Debenture Trust Deed. If any due date falls on a day which is not a business day, the payment to be made on such due date shall be made on the immediately succeeding business day, except where such due date is for the payment of a redemption payment, in which case such payment shall be made on the immediately preceding business day.
Mode of Payment for Subscription	<input type="checkbox"/> Cheque <input type="checkbox"/> Demand Draft <input type="checkbox"/> Other Banking Channels Please refer Section 8

(xxi) Amount, which the Company intends to raise by way of securities

Please refer Section 6.

(xxii) Proposed time schedule for which the Issue/Private Placement Offer cum Application Letter is valid

Please refer Section 6.

(xxiii) Purpose and objects of the Issue/Offer

Please refer Section 6.

(xxiv) Contribution being made by the Promoters or directors either as part of the offer or separately in furtherance of such objects

Nil.

(xxv) Principal terms of assets charged as security, if applicable

Please refer Section 6. (Not Applicable)

(xxvi) Details of the Debenture Trustee(s) and consents thereof

IDBI Trusteeship Services Limited is appointed as the debenture trustee for the Issue. IDBI Trusteeship Services Limited has given their consent to act as debenture trustee to the Issuer for its appointment as per regulation 8 of Securities Exchange and Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and in all the subsequent periodical communications sent to the holders of debt securities.

(xxvii) Credit Rating Rationale and Credit Rating Letter

Credit rating letter from CARE Ratings issued on 23rd January, 2023 is enclosed in Annexure 3.

(xxviii) If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

Not Applicable

(xxix) Copy of consent letter from the Debenture Trustee shall be disclosed

Copy of consent letter from IDBI Trusteeship Services Ltd is enclosed in Annexure 4.



(xxx) Names of all the recognized stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange.

The Debenture are proposed to be listed on the wholesale debt market (WDM) segment of BSE Limited.

(xxxi) Other Details

1. DRR Creation - relevant regulations and applicability

As per Rule 18 (7)(b)(A) of the Companies (Share Capital & Debentures) Rules, 2014 creation of DRR is not required for NBFC's when such debentures are issued on private placement basis by non-banking financial companies registered with the Reserve Bank of India under Section 45 (I) A of the RBI (Amendment) Act 1997. The Company hereby agrees and undertakes that, if required under Applicable Law, it will create a DRR in accordance with the provisions of the Act (and the rules and regulations made thereunder) and the guidelines issued by the relevant Governmental Authorities. Further, if during the tenor of the Debentures, any guidelines are formulated (or modified or revised) by any Governmental Authority in respect of creation of the DRR, the Company shall abide by such guidelines and shall do all deeds, acts and things as may be required by the Debenture Trustee.

2. Issue / Instrument specific regulations - relevant details (Companies Act, RBI Guidelines, etc.).

- ✓ The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013
 - ✓ Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993
 - ✓ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - ✓ The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021
 - ✓ the Securities Contracts (Regulation) Act, 1956
 - ✓ Securities and Exchange Board of India Act, 1992
 - ✓ the Reserve Bank of India Act, 1934
 - ✓ NBFC Directions
- and the rules and regulations issued thereunder, including modifications to all of the foregoing.


3. Application process- As mentioned in Clause 11 in this Information Memorandum.

1.0 LEGAL INFORMATION

As on date, to best of knowledge of the Company, there are no legal proceedings filed against the Company in any legal forum in India.

2.0 ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE

Save as stated elsewhere in this Information Memorandum, in the opinion of the of the Directors of the Company, **except the below para** there have been no material developments, after the date of the last audited / un-audited financial statements as disclosed in this Information Memorandum, which would materially and adversely affect, or would be likely to affect, the trading or profitability of the Company or the value of its assets or its ability to pay its liabilities.

For HINDUJA LEYLAND FINANCE

 AUTHORIZED SIGNATORY

The Board of Directors of Hinduja Leyland Finance at their meeting on November 25, 2022, inter alia have unanimously approved the Scheme of Merger by Absorption under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 (including any statutory modification or re-enactment or amendment thereof), for the merger by absorption of Hinduja Leyland Finance Limited (the Transferor Company) into NXTDIGITAL Limited (the Transferee Company).

The scheme is subject to the receipt of approvals from Reserve Bank of India, Securities and Exchange Board of India, the National Company Law Tribunal, BSE Limited and the National Stock Exchange of India Limited and other statutory and regulatory authorities, and the respective shareholders and creditors, under applicable law.

The share exchange ratio for the merger of the Hinduja Leyland Finance Limited with and into NXTDIGITAL Limited shall be 25 (Twenty Five) equity shares of the face value Rs. 10/- each of NXTDIGITAL shall be issued and allotted as fully paid up for every 10 (Ten) equity shares of the face value of Rs. 10/- each fully paid up held in Hinduja Leyland Finance Limited. As per the Scheme, the appointed date for the merger by absorption of Hinduja Leyland Finance Limited with and into NXTDIGITAL Limited shall be April 01, 2022 or such other date as may be directed or approved by the National Company Law Tribunal or any other appropriate authority.

For more details, please refer: <https://www.bseindia.com/xml-data/corpfiling/AttachHis/26d64bf1-e963-4455-8844-74812f6c2b2c.pdf>

3.0 PARTICULARS OF THE DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH

The Company has not issued any debt securities for consideration other than cash, whether in whole or part, at a premium or discount or in pursuance of an option.

4.0 PERMISSION / CONSENT FROM THE PRIOR CREDITOR FOR A SECOND OR PARI PASSU CHARGE BEING CREATED, WHERE APPLICABLE, IN FAVOR OF THE DEBENTURE TRUSTEE

The Company is not required to obtain any prior permission from its lenders for creation of exclusive charge in favour of the Debenture Trustee for the Issue issued under this Offer Document and the Debenture Trust Deed.

5.0 TERMS PERTAINING TO THE ISSUE

a) RATING RATIONALE

CARE Ratings Limited has assigned credit rating of **CARE PP MLD AA** for the MLDs of INR 150 Crores (Rupees Fifty Crores) to be issued by the Company under this document. A copy of the rating letter issued by CARE Ratings Limited is enclosed as Annexure 3.

b) SUMMARY TERM SHEET SHALL BE PROVIDED WHICH SHALL INCLUDE AT LEAST FOLLOWING INFORMATION (WHERE RELEVANT) PERTAINING TO THE SECURED / UNSECURED NON CONVERTIBLE DEBENTURES (OR A SERIES THEREOF)

Security NameHinduja Leyland Finance Limited.....
Issuer	Hinduja Leyland Finance Limited (HLF/ The Company/ Issuer)
Trustee	IDBI Trusteeship Services Limited
Type of Instrument	Rated, Listed, Secured, Senior, Redeemable, Taxable, Principal Protected Dematerialised Non- Convertible Market Linked Debentures (MLDs)

For HINDUJA LEYLAND FINANCE LTD.



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Nature of Instrument	Secured
Seniority	The Debenture will constitute direct, secured and senior obligations of the Company
Mode of Issue	Private placement
Rating of the Instrument	"PP MLD AA" Stable (CARE)
Base Issue Size on Face Value	Rs 50,00,00,000/- (Rupees Fifty Crores only)
Face Value	Rs. 1,00,000/- (Rupees One Lakhs Only)
Issue Price	Rs. 1,00,000/- (Rupees One Lakhs Only)
Option to retain oversubscription (Amount)	Green Shoe option of Rs. 100,00,00,000, (Rupees One Hundred Crores Only)
Objects of the Issue & Details of the utilization of the Proceeds	The proceeds shall be used for the business activities, meet growth requirements and for general corporate purposes of the company. Company undertakes that proceeds of the present Issue shall not be used for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the RBI/ SEBI/ RoC/ Stock Exchange. End use of the Issue to be evidenced with a certificate from the auditor of the Company to be furnished to Debenture Trustee within 60 days of the allotment of MLDs.
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.	<ul style="list-style-type: none"> • The debentures shall be secured by an exclusive charge over receivables of the Company by way of hypothecation • The minimum security cover to be maintained at all times is 100% the value of the outstanding principal amount of the Debentures until the redemption of the Debentures. • If, at the end of every month, during the tenure of the debenture, the value of the specified receivables fall below the minimum cover 1.0 times, the Company shall provide additional receivables to make up for the deficit within 21 days. • Receivables for the above purpose is defined as Business Assets that must be existing at the time of selection, and must not have been terminated or prepaid. • No loan specified under the receivables should have been classified as 'non-performing asset' (determined in accordance with the criteria prescribed by the relevant Supervisory Authority); and • Non-Maintenance of minimum-Security Cover will attract 2% p.a. penalty over and above the Coupon, for the period of non-maintenance of the Security Cover. • The Issuer shall execute Debenture Trust Deed and Deed of Hypothecation prior to the Deemed Date of Allotment and perfect the same by filing requisite forms with ROC and CERSAI within 30 days execution of Deed of Hypothecation

For HINDUJA LEYLAND FINANCE LTD.



AUTHORISED SIGNATORY

Tenor	36 months + 1 day	
Issue Timing	Issue Opening Date: 27 th January, 2023 Issue Closing Date: 27 th January, 2023 Pay-in Date: 27 th January, 2023 Deemed Date of Allotment: 27 th January, 2023	
Coupon Rate	Scenario	Coupon (XIRR)
	If Final Fixing Level \geq 25% of Initial Fixing Level	8.60 % XIRR
	If Final Fixing Level $<$ 25% of Initial Fixing Level	0% XIRR
Interest Payment Frequency	Bullet on Maturity	
Interest on Application Money	At the agreed coupon for the respective Series a subject to deduction of tax at source, as applicable) from the date of realization of cheque (s)/ demand draft(s)/ e-payment upto one day prior to the Deemed Date of Allotment	
Initial Fixing Date	3 days prior to of Issuance Open Date	
Initial Fixing Level	Official Closing Level of GOVERNMENT SECURITY: 7.26% GS 2032 HAVING ISIN: IN0020220060 MATURING ON "22-Aug-2032" as on Initial Fixing Date, as published by FBIL on www.fbil.org.in	
Final Fixing Date	3 months prior to Redemption Date	
Final Fixing Level	Official Closing Level of GOVERNMENT SECURITY: 7.26% GS 2032 HAVING ISIN: IN0020220060 MATURING ON "22-Aug-2032" as on Final Fixing Date, as published by FBIL on www.fbil.org.in	
Valuation Agency	CARE Risk Solutions Private Limited (wholly owned subsidiary of CARE Ratings Limited), valuation fees is 0.04% p.a. Refer link for valuation report https://www.carerisksolutions.com/file-share/e33848b2-2a32-45af-8d6b-5abef3e21eff	
Redemption	At Par	
Redemption Date	27 th January, 2026	
Redemption Amount	The face value of Debentures, plus interest, additional interest, liquidated damages, costs, charges and other expenses (if any) payable on the redemption date	
Put Option	None	
Call Option	None	
Put Notification time	None	
Call Notification time	None	

Eligible Investors	<ul style="list-style-type: none"> • Scheduled Commercial Banks; • Financial Institutions; • Insurance Companies; • Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI); • Regional Rural Banks; • Mutual Funds; • Companies, Bodies Corporate authorized to invest in Debentures; • Provident Funds, Gratuity, Superannuation & Pension Funds, subject to their Investment guidelines; • Trusts; • Individual and HUF; or • Any other investor category eligible to invest subject to current applicable rules, act, laws etc.
Listing	<p>The Debentures will be listed on the wholesale debt market of BSE Limited within 3 days from the Deemed Date of Allotment.</p> <p>In case of delay in listing of the debt securities beyond 3 days from the deemed date of allotment, the Company shall pay penal interest of atleast @1% over the coupon rate from the expiry of 3 days from the deemed date of allotment till the list of such debt securities to the investor, or as agreed with the investor</p>
Day Count Basis	<p>Actual / Actual</p> <p>Interest payable on Debentures will be calculated on the basis of actual number of days elapsed in a year of 365 or 366 days as the case may be i.e. Actual/ Actual</p>
Default Interest Rate	In case of default of payment of interest and / or principal redemption on the due date, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer from the date of the occurrence of such default until the default is cured or the MLDs are redeemed pursuant to such default, as applicable
Minimum Application and in multiples of Debt Securities thereafter	Minimum of 100 Debentures and in multiples of 1 Debenture thereafter
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	By cheque(s)/ demand draft(s)/ e-payment or any other mode which is permissible
Depository	NSDL /CDSL
Business Day Convention	<p>Means a day (other than a Sunday or a Bank holiday) on which banks are open for general business in Mumbai and Chennai.</p> <p>If any due date falls on a day which is not a Business Day, the payment to be made on such due date shall be made on the immediately succeeding Business Day, except if such due date is for the payment of principal, in which</p>

	<p>case the payment to be made on such due date (including accrued Coupon) shall be made on the immediately preceding Business Day. The foregoing is subject to any directions, notifications or instructions issued by the Securities and Exchange Board of India</p>
Record Date	15 business days prior to Coupon Payment and Redemption date
All covenants of the issue (including side letters, accelerated payments clause, etc.)	As specified in Clause 7.3 Financial Covenants; Clause 7.4 Reporting Covenants; Clause 7.5 Affirmative Covenants and Clause 7.6 Negative Covenants of Debenture Trust Deed for the said Debenture issue.
Transaction Documents	<p>Including but not limited to the following documents:</p> <ul style="list-style-type: none"> • Debenture Trust Deed • Private placement Offer Letter • Information Memorandum or Shelf Disclosure Document as applicable • Deed of Hypothecation • Debenture Trustee Agreement • Any others prescribed by the Debenture Trustee or as may be agreed between the parties. <p>All transaction documents will comply with the requirements prescribed by the RBI, SEBI and under the Companies Act, 2013 (as applicable) for the issuance of non-convertible debentures.</p>
Conditions Precedent to Disbursement	<p>The Issuer will complete conditions precedent to the Issue which will include, amongst others, the following in form and substance satisfactory to the Debenture Trustee/Original Debenture Holder:</p> <ol style="list-style-type: none"> 1. Furnished certified copies of the memorandum and articles of association (or equivalent constitutional documents); 2. Board resolutions and other Statutory compliances; 3. The Company shall have signed and delivered Information Memorandum and PAS 4 containing disclosures required in terms of the SEBI (Issue and Listing of Non-convertible Securities) Regulation 2021 and under the Companies Act 2013. 4. Executed the Debenture Trustee Agreement 5. Furnished specimen signatures for person(s) authorized in the board resolutions referred to in (2) above; 6. Receipt by the Issuer of all relevant consents (corporate, shareholder, regulatory if any) for issuance of MLD; 7. Debenture Trustee consent letter; 8. Procured and furnished the in principal listing approvals from the NSE or BSE Limited; 9. KYC of the issuer and signatories; 10. Deed of hypothecation to be executed prior to the deemed date of allotment 11. Rating letter not more than 30 days old from the date of pay-in and rating rationale not more than 1 year old from the date of pay-in from the aforementioned Rating Agencies. 12. Borrowing power resolution under section 180(1)(c) confirming from the Company Secretary that this MLD issue is within the limits authorized as per section 180(1)(c); 13. Any other documents required as per Companies Act 2013 or as per any other rules and regulations required by RBI/SEBI 14. To create the security over the Hypothecated Assets by executing Deed of Hypothecation as contemplated in the Transaction Documents before the Deemed Date of Allotment

	<p>15. Execution of Debenture Trust Deed</p> <p>16. An undertaking that the assets on which charge is proposed to be created are free from any encumbrances;</p>
Conditions Subsequent to Issuance	<p>The Issuer shall ensure that the following documents are executed/ activities are completed:</p> <ol style="list-style-type: none"> 1. Allotment of the Debentures, will be credited in dematerialized form within 2 (Two) Business Days from the Deemed Date of Allotment. 2. Listing of MLDs within 3 days from Deemed Date of Allotment 3. All securities to be perfected within 30 days from the execution of Deed of Hypothecation. 4. List of loan receivables to be shared within 60 days of deemed date of allotment. 5. End use certificate to be provided by the Company as per the regulatory timelines 6. Receipt by the Issuer of all relevant consents (corporate, shareholder, regulatory and consents of existing lenders and other government authorities, if any) towards creation and perfection of the Security to the satisfaction of the Debenture Trustee;
Financial Covenants on HLF	<p>The company will adhere to following financial Covenants</p> <ul style="list-style-type: none"> • The capital adequacy ratio shall be maintained at a minimum of the levels stipulated by the RBI at all points in time (currently 15.0%). • Net NPA (PAR 90 less provisions) on a standalone basis shall not exceed 6% of the Assets under Management of the Issuer. <p>"PAR 90" shall mean, on the Issuer's entire assets under management at any point of time, as the case may be, the outstanding principal value of the relevant portfolio of the Issuer that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more, includes restructured loans but excludes loans that have been written off by the Issuer.</p> <p>All covenants would be tested on semi-annual basis for the Company i.e. as on 31 March and 30 Sept every year.</p>
Rating Covenant	<p>Individual Debenture holder have the right to accelerate the MLD under following condition:</p> <ul style="list-style-type: none"> • the rating of the debentures is suspended or withdrawn or moved to "issuer not cooperating" category or • the long-term rating of the Debentures/Issuer is downgraded below A- by any rating agency. (Rating Event) <p>The Debenture holder can directly or through Debenture Trustee serve an Acceleration Notice to Issuer post the Rating Event. Issuer has to repay the MLDs along with accrued interest, Step up Coupon, Default interest, if any within 30 calendar days from date of Acceleration Notice.</p>
Ownership Covenant	<ul style="list-style-type: none"> • Hinduja Group to maintain atleast 51% stake in the company on fully diluted basis till the maturity of MLDs • Hinduja Group to maintain management control over the company till the maturity of MLDs.
Step Up Coupon	<p>In the event of the downgrade in the credit rating of the Issuer from any credit rating agency upto 2 (two) notches from the current rating of PP MLD 'AA' (ie from PP MLD 'AA' to PP MLD 'A+') , the Coupon Rate shall be step-up by 0.25% (Zero Decimal Point Two Five Percent) p.a for every notch downgrade.</p>
Negative Covenants	<p>The Company hereby, except the merger with NXT Digital, covenants with the Debenture Trustee that the Company shall not, for so long as any amount remains outstanding under the Debentures, (except as may otherwise be</p>

	<p>previously agreed to in writing by the Debenture Trustee (acting upon the receipt of the prior written approval of the Majority Debenture Holder(s)):</p> <ul style="list-style-type: none"> (i) Change the general nature and conduct of its business from that which is permitted (ii) Engage in or undertake any corporate restructuring, re-organisation and / or re-capitalisation of any sort including but not limited to merger, spin-offs, demerger, consolidation, reorganisation, amalgamation, reconstruction, capital reduction and liquidation, except as permitted under the Transaction Documents, which will have material impact on financials of the company. (iii) Enter into any material compromise or arrangement or settlement with any of its creditors that would prejudicially affect the interests of the Debenture Holder(s). (iv) Make any amendments the constitutional documents an in a manner which would prejudicially affect the interests of the Debenture Holder(s). (v) Declare or pay any dividend to its shareholders during any financial year unless (i) it has paid the amounts then due and payable on the Debentures, or has made provisions satisfactory to the Debenture Trustee for making such payments. (vi) Wind-up, liquidate or dissolve its affairs. (vii) Dilute/ change/ transfer the shareholding of the Company that results in Hinduja Group's shareholding falling below 51% or change in Management Control of the Company. <p>"Management Control" with relation to the Company shall mean -</p> <ul style="list-style-type: none"> a) holding by any person directly or indirectly of more than 50% of the voting share capital of the Company and ability of that person to direct or cause direction of the management and policies of the Company, whether by operation of law or by contract or otherwise; or b) the ability of that person to appoint or cause the appointment of more than 50% of the directors on the Board of the Company and ability of that person to direct or cause direction of the management and policies of the Company, whether by operation of law or by contract or otherwise; (Ownership covenants) <ul style="list-style-type: none"> (viii) Declare any dividend on its share capital or pay interest on loans/ quasi equity from Promoters, associate companies and/or strategic investors, if: <ul style="list-style-type: none"> a) if the Issuer fails to meet its obligations to pay interest and/or installments and/or other monies due to the Debenture Holders which shall have become due and as long as it is in such default; or b) If an Event of Default has occurred and is continuing; or c) Issuer is not in compliance of the Financial Covenants; or d) If the Restricted Payments are not permitted under Applicable Laws.
Other conditions	<ul style="list-style-type: none"> (i) The Issuer shall deliver to the Debenture Trustee/Debenture Holder in form and detail satisfactory to the Debenture Trustee/Debenture Holder and in such number of copies as the Debenture Trustee/Debenture Holder may request: <ul style="list-style-type: none"> a) unaudited semi-annual profit and loss statements and balance sheets, within Seventy five days or such other period as reasonably required by the Debenture Trustee/Debenture Holder, of the close of each semi-annual period; b) independently audited annual accounts within six months, or such other

	<p>period as reasonably required by the Debenture Trustee/Debenture Holder, of the close of each financial year; and</p> <p>c) such other statement or statements or information pertaining to the operations of the Borrower as the Debenture Trustee/Debenture Holder may reasonably require, within such period as required by the Debenture Trustee/Debenture Holder</p> <p>(ii) The Issuer shall maintain insurances on and in relation to its business and assets with an insurance company(ies) against such risks and to such extent as is usual and appropriately prudent for companies carrying on the business such as that carried on by the Company.</p>
Approvals	The Issuer will ensure that all authorizations/ regulatory approvals and statutory approvals that pertain to this transaction will be in place prior to the issue of the MLDs, including, without limitation, Trustee consent, and any authorizations or approvals under the Companies Act, 1956/2013 and the SEBI Regulations each as amended from time to time, or any other relevant regulation. The Issuer will create a Debenture Redemption Reserve in accordance with relevant regulations.
Due Diligence Certificate by the Debenture Trustee	The due diligence certificate issued by the Debenture Trustee to BSE in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) is annexed hereto as Annexure A
Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)	<p>Events of Default appropriate for an Issue of this nature, including but not limited to:</p> <ol style="list-style-type: none"> 1. Failure to pay the amounts due under the MLDs within a cure period of 3 working days; 2. In the event the Company and/or any security provider 's) credit worthiness deteriorates due to material impact on financials of the company, in the sole opinion of the Debenture Trustee/Debenture Holders. 3. Failure on part of the Issuer to comply with any of its obligations under any Debenture Documents other than outlined hereunder to which it is a party and the same, if capable of remedy, is not remedied within 30 (thirty) days of failure by the Issuer to comply with such obligations, or a waiver is not obtained by the Issuer from the Debenture Trustee; 4. Representations or Warranties are found to be untrue or misleading when made. 5. The authority or permission to carry on the material business of the company has been revoked by the competent govt authority & such revocation has not been quashed/withdrawn within 30 calendar days from the date of such revocation & which has a material adverse effect on the company as a whole. 6. Any financial indebtedness of the company becomes due prior to its stated maturity by reason of default of the terms thereof by the borrower or any such indebtedness is not paid at its stated maturity & such default has in the opinion of the debenture holders a material adverse effect. 7. If the company has become the subject of voluntary winding up proceedings or ii) has become the subject of involuntarily proceedings under any law relating to winding up or bankruptcy or insolvency law & the company is unable to or admits in writing its inability to pay any indebtedness as they mature or proceedings for taking it into liquidation have been commenced provided that no such proceedings shall continue an event of default if the company can establish to the satisfaction of the Debenture Holders that such proceedings relate to a frivolous or vexatious claim which has been dealt with, disposed of, discharged or otherwise

- withdrawn to the satisfaction of the Debenture Holders within ninety (90) days of the date of commencement of such proceedings.
8. Any corporate action, legal proceedings or other procedure or step is taken in relation to:
- A. the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement scheme of arrangement or otherwise) of the Company;
 - B. a composition, compromise, assignment or arrangement with any creditor of the Company;
 - C. the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company;
 - D. the Company refers itself under any law providing protection as a relief undertaking;
 - E. enforcement of any security over any assets of the Company or any analogous procedure or step is taken in any jurisdiction; or
 - F. any other event occurs or proceeding is instituted that under any Applicable Law would have an effect analogous to the above.
9. The Transaction Documents in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Company.
10. It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable.
11. The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents and the same has not been remedied or rectified within a period of 30 (Thirty) calendar days of such repudiation.
12. The Company ceases to carry on its business or any substantial part thereof or gives notice of its intention to do so and the same has not been remedied or rectified within a period of 30 (Thirty) calendar days of such event.
13. An event of total loss or nationalisation or expropriation of all or substantially all of the assets, or a material portion of the assets shall temporarily be subject to a nationalisation and such temporary nationalisation could reasonably be expected to have a Material Adverse Effect.
14. Any event (including more than 3 notch rating downgrade) has occurred which, in the sole discretion of the Debenture Trustee/Debenture Holder, is likely to have a Material Adverse Effect
15. If an attachment or distraint has been levied on the assets mortgaged/to be mortgaged or hypothecated or an part thereof or certificate proceedings or execution proceedings have been taken or commenced for recovery of any dues from the Company and in any above cases, is not discharged within thirty (30) days.
16. Any Security Document is not (once entered into) in full force and effect or any Security Document does not (once entered into) create in favour of the Security Trustee the Security which it is expressed to create, fully perfected with the ranking and priority it is expressed to have, within the timelines for creating that Security as stipulated in the Transaction Documents.
17. If in the opinion of the Debenture Trustee, the Security created over the Secured Assets or any part thereof, is in jeopardy.

Creation of recovery expense fund	<p>The Issuer shall create the recovery expense fund in accordance with Regulation 26(7) of the SEBI Debt Regulations and the SEBI circular dated 22 October 2020 on "Contributions by Issuers of the listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund".</p> <p>This may be utilized by the Debenture Trustee upon occurrence of an Event of Default, for taking appropriate legal actions to enforce the Security</p>
Conditions for breach of covenants (as specified in Debenture Trust Deed)	<p>The Debenture Trust Deed specifies the consequences for any breach of covenants thereunder and which includes:</p> <p>(a) acceleration of payments;</p> <p>(b) enforcement of security;</p> <p>(c) appointment of nominee director on the board of directors of the Company; and</p> <p>such other rights as may be available to it under the Transaction Documents or under the applicable laws and as specified in the Debenture Trust Deed.</p>
Force Majeure	<p>The Issuer understands that this issue is contingent on the assumption that from the date hereof to the Deemed Date of Allotment, there is no material adverse change in the financial conditions of the Issuer or in the condition of the Indian credit and debt market (including any policy action) which in the reasonable opinion of the Investor would make it inadvisable to proceed with the Issue. In the case of such material adverse change, the terms may be renegotiated to the mutual satisfaction.</p>
Consequences of Event of Default or Breach of Covenants	<p>In case of EOD & breach of any covenants including any Financial Covenants (post the expiry of cure period of 90 days for the financial covenants in specific) leading to an EOD, the MLD shall become forthwith payable There shall not have any cure period for breach of Ownership and Rating covenants.</p> <p>In addition to the above , upon the occurrence of an Event of Default the Debenture Trustee shall have the right, to:</p> <ul style="list-style-type: none"> • Enforce any Security created pursuant to the Security Documents in accordance with the terms thereof; and/or • to accelerate the redemption of the Debentures and declare by way of written notice that all of the Debentures, together with accrued but unpaid Coupon, and the Secured Obligations including all other costs, charges and expenses accrued or outstanding under the Transaction Documents to be immediately (or such other date as the Debenture Trustee may specify) due and payable ("Event of Default Notice"), whereupon they shall become so due and payable immediately upon receipt of the date of the Event of Default Notice. It is hereby clarified that the non-issuance of the Event of Default Notice by the Debenture Trustee (acting on the instructions of the Majority Debenture Holder(s)) shall not relinquish its rights, in any manner, to exercise any other rights available to them under the terms of this Clause 12; and/or • Appoint a nominee director for the Debenture Holders; and/or • Exercise such other rights and remedies as may be available to the Debenture Trustee under Applicable Law and/or the Financing Documents • Debenture Trustee to act in accordance with the SEBI Guidelines as

	amended/issued from time to time, including the enforcement actions set out in SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020.
Role and Responsibilities of Debenture Trustee	As per Debenture Trust Deed.
Risk factors pertaining to the issue	As covered under the section Management's Perception of Risk Factors of this Information Memorandum
Governing Law and Jurisdiction	Subject to the arbitration clause below, the debentures and documentation will be governed by and construed in accordance with the Indian Laws and the parties submit to the non-exclusive jurisdiction at Mumbai.

Note: While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.

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6.0 TRANSACTION DOCUMENTS AND KEY TERMS

7.1 Transaction Documents

The following documents shall be executed in relation to the Issue ("**Transaction Documents**"):

- (a) Debenture Trustee Agreement, which will confirm the appointment of IDBI Trusteeship Services Ltd as the Debenture Trustee ("**Debenture Trustee Agreement**");
- (b) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("**Debenture Trust Deed**" or "**DTD**");
- (c) Deed of Hypothecation whereby the Issuer will create an exclusive charge by way of hypothecation over the Hypothecated Assets in favour of the Debenture Trustee to secure its obligations in respect of the Debentures ("**Deed of Hypothecation**"); and
- (d) Such other documents as agreed between the Issuer and the Debenture Trustee.

7.2 Representations and Warranties

The Issuer makes the representations and warranties set out in this Section 7.2 to the Debenture Trustee for the benefit of the Debenture Holders as on the dated of the Debenture Trust Deed, which representations shall be deemed to be repeated on each Due Date until the Final Settlement Date.

1. Status

- (a) It is a company, duly incorporated, registered and validly existing under Applicable Law.
- (b) It is a non-deposit accepting or holding non-banking financial company registered with the RBI.
- (c) It has the power to own its assets and carry on its business as it is being conducted.

2. Binding obligations

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

3. Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by the Transaction Documents, do not and will not conflict with:

- (a) any Applicable Law;
- (b) its Constitutional Documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

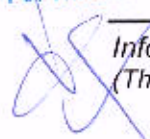
4. Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by such Transaction Documents.

5. Validity and admissibility in evidence

All approvals, authorisations, consents, permits (third party, statutory or otherwise) required or desirable:

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- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations under the Transaction Documents to which it is a party;
- (b) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- (c) for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect.

6. No default

- (a) No Event of Default or Potential Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.
- (b) No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Issuer or any of its assets or which might have a Material Adverse Effect.
- (c) The issuance of the Debentures would not result in any breach of Applicable Law (including without limitation, the NBFC Directions).

7. Pari passu ranking -

Its payment obligations under the Transaction Documents rank at least *pari passu* with the claims of all of its other senior secured creditors, except for obligations mandatorily preferred by Applicable Law applying to companies generally.

8. No proceedings pending

Except as disclosed by the Issuer in the Information Memorandum, annual reports and financial statements, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have been started against the Issuer, which if adversely determined, may have a Material Adverse Effect.

9. No misleading information

All information provided by the Issuer to the Debenture Trustee/Debenture Holders for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date at which it is stated (if any).

10. Compliance

- (a) The Issuer has complied with Applicable Law.
- (b) There is no investigation or enquiry by, or order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the best of the Issuer's knowledge, anticipated against the Issuer which would have a Material Adverse Effect on the Issuer.

11. Assets

Except for the security interests and encumbrances created and recorded with the ROC and updated from time to time, the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted. For HINDUJA LEYLAND FINANCE LTD.

12. Financial statements


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- (a) Its latest financial statements provided to the Debenture Trustee were prepared in accordance with Indian GAAP consistently applied save to the extent expressly disclosed in such financial statements.
- (b) Its latest financial statements provided to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the financial year save to the extent expressly disclosed in such financial statements.

13. Solvency

- (a) The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts.
- (b) The Issuer has not been deemed by a court to be unable to pay its debts for the purposes of Applicable Law.
- (c) The Issuer will not become unable to pay its debts for the purposes of Applicable Law as a consequence of entering into the Debenture Trust Deed or any other Transaction Document.
- (d) The Issuer, whether by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness.
- (e) The Issuer has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any insolvency proceedings.
- (f) No insolvency process has commenced under Applicable Law in respect of the Issuer.
- (g) No reference has been made, or enquiry or proceedings commenced, in respect of the Issuer, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets").

14. Security

- (a) The Hypothecated Assets are the sole and absolute property of the Issuer and are not subject to any *lis pendens*, attachment, or other order or process issued by any Governmental Authority.
- (b) The Hypothecated Assets are free from any other mortgage, charge or encumbrance and are not subject to any *lis pendens*, attachment, or other order or process issued by any Governmental Authority.
- (c) The Transaction Documents executed or to be executed constitute legal, valid and enforceable security interest in favour of the Debenture Trustee and for the benefit of the Debenture Holders on all the assets thereby secured and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of such security have been obtained.

7.3 Financial Covenants

- (a) The capital adequacy ratio shall be maintained at a minimum of the levels stipulated by the RBI at all points in time (currently 15.0%).
- (b) Net NPA (PAR 90 less provisions) on a standalone basis shall not exceed 6% of the Assets under Management of the Issuer.

"PAR 90" shall mean, on the Issuer's entire assets under management at any point of time, as the case may be, the outstanding principal value of the relevant portfolio of the Issuer that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more, includes restructured loans but excludes loans that have been written off by the Issuer.

7.4 Reporting Covenants

The Issuer shall provide or cause to be provided to the Debenture Trustee and to the Debenture Holders, in form and substance reasonably satisfactory to the Debenture Trustee, each of the items set out in this Section 7.4.

As soon as available, and in any event within 90 calendar days after the end of each financial year of the Issuer:

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- (a) certified copies of the audited consolidated and non-consolidated (if any) financial statements of the Issuer for its most recently completed financial year, prepared in accordance with Indian IND-AS;
 - (b) the Constitutional Documents of the Issuer;
 - (c) such additional information or documents as the Debenture Trustee and/or the Debenture Holder(s) may reasonably request.
2. As soon as practicable, and in any event within 90 Business Days after the Issuer obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, investigation or other proceeding affecting the Issuer or its property or operations, which, if adversely determined, could result in a Material Adverse Effect.
3. As soon as practicable, and in any event within 90 Business Days after the Issuer obtains actual knowledge thereof, notice of the occurrence of any Event of Default.
4. As soon as practicable, and in any event within 90 Business Days after such prepayment, notice of any Financial Indebtedness of the Issuer declared to be due and payable, or required to be prepaid other than by a regularly scheduled required repayment, prior to the stated maturity thereof.
5. Without prejudice to any other provision of the Debenture Trust Deed:
 - (a) forthwith, and in no case later than 90 Business Days of the occurrence of a change of Control; and
 - (b) within 90 Business Days after the Issuer obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a change of Control.
6. The Issuer shall provide or cause to be provided to the Debenture Trustee, in form and substance reasonably satisfactory to the Debenture Trustee, such additional documents or information as the Debenture Trustee may reasonably request from time to time.

7.5 Affirmative Covenants

The Issuer shall undertake and fulfil the affirmative covenants set out in this Section 7.5.

1. Notice of winding up or other legal process

Promptly inform the Debenture Trustee if it has notice of any application for winding up or insolvency process having been made or any statutory notice of winding up or insolvency process under the provisions of the Act or any other Applicable Law (including the Insolvency and Bankruptcy Code, 2016, if applicable) or any other notice under any other statute relating to winding up or insolvency process or otherwise of any suit or other legal process intended to be filed or initiated against the Issuer.

2. Loss or damage by uncovered risks

Promptly inform the Debenture Trustee of any material loss or significant damage which the Issuer may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Issuer may not have insured its properties.

3. Costs and expenses

Pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of the Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Issuer before they are incurred and shall not include any foreign travel costs.

4. Payment of Rents, etc.

Punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Issuer as and when the same shall become payable.

5. Preserve corporate status

- (a) Diligently preserve and maintain its corporate existence and status and comply with all authorisations, consents, permissions, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to its assets or any part thereof.
- (b) The Issuer will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed.

6. Pay stamp duty

Pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Issuer may be required to pay according to the applicable state laws.

7. **Furnish information to trustee**
- (a) Inform, and provide, the Debenture Trustee with relevant documents and information in respect of any notice of any event of default or potential event of default (howsoever described).
 - (b) Furnish quarterly reports to the Debenture Trustee (as may be required in accordance with Applicable Law) containing the following particulars:
 - (i) updated list of the names and addresses of the Debenture Holders;
 - (ii) details of the interest due, but unpaid and reasons thereof;
 - (iii) the number and nature of grievances received from the Debenture Holders and resolved and unresolved by the Issuer along with the reasons for the same;
 - (iv) a statement that the Hypothecated Assets is sufficient to discharge the claims of the Debenture Holders as and when they become due;
 - (v) notice of any Event of Default or Potential Event of Default; and
 - (vi) any and all information required to be provided to the Debenture Holders under Applicable Law and/or the listing agreement to be entered into between the Issuer and the BSE.
8. **Redressal of Grievances**
Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Issuer further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance.
9. **Comply with Investor Education and Protection Fund requirements**
- (a) Comply with the provisions of the Act relating to transfer of unclaimed/unpaid amounts of interest on Debentures and redemption of Debentures to the Investor Education and Protection Fund ("IEPF"), if applicable to it.
 - (b) The Issuer hereby further agrees and undertakes that until the Final Settlement Date it shall abide by the regulations, rules or guidelines/listing requirements if any, issued from time to time by the Ministry of Corporate Affairs, RBI, SEBI or any other competent Governmental Authority.
10. **Corporate Governance; Fair Practice Code**
Comply with any corporate governance requirements applicable to the Issuer (as may be prescribed by the RBI, SEBI or any stock exchange) and the fair practices code prescribed by the RBI, SEBI or any stock exchange.
11. **Further assurances**
- (a) Execute and/or do, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Applicable Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee.
 - (b) Comply with:
 - (i) all Applicable Law (including but not limited to environmental, social and taxation related laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time;
 - (ii) the Debenture Trustees Regulations as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures; and
 - (iii) the provisions of the Act in relation to the Issue.
 - (c) Procure that the Debentures are rated and continue to be rated until the Final Redemption Date.
12. **Security**
The Issuer hereby further agrees, declares and covenants with the Debenture Trustee that:
- (a) the Debentures shall be secured by way of a first ranking exclusive continuing security by way of a first ranking exclusive charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders;
 - (b) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to the security interest created under the Transaction Documents

and be dealt with only under the directions of the Debenture Trustee. The Issuer shall not create any charge, lien or other encumbrance upon or over the Hypothecated Assets or any part thereof except in favour of the Debenture Trustee nor will it do or allow anything that may prejudice the security interest created under the Transaction Documents. The Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve the security interest created under the Transaction Documents and to maintain the same undiminished and claim reimbursement thereof;

- (c) to create the security over the Hypothecated Assets as contemplated in the Transaction Documents before the Deemed Date of Allotment by executing a duly stamped Deed of Hypothecation and to register and perfect the security interest created under the Deed of Hypothecation by filing Form CHG-9 with the concerned ROC and ensuring and procuring that the Debenture Trustee files the prescribed Form I with CERSAI reporting the charge created to the CERSAI in relation thereto, as soon as practicable and in any case no later than 30 (thirty) calendar days after the date of execution of the Deed of Hypothecation;
- (d) to keep the Application Money in a separate bank account (such separate bank account having been opened with a scheduled bank of the Debenture Trustee's choice) in the event the Debenture Trust Deed and the Deed of Hypothecation is not executed on the Deemed Date of Allotment or in the event the value of the Hypothecated Assets, at the time of execution of the Deed of Hypothecation, is less than the Security Cover;
- (e) the Issuer shall, on each Top-up Date (20 days after each quarter-end), add fresh loan assets to the Hypothecated Assets (under the Deed of Hypothecation) so as to ensure that the value of the Hypothecated Assets is at all times equal to the Security Cover;
- (f) the Issuer shall, on such time periods as may be agreed with the Debenture Holders, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time and shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee and furnish and execute all necessary documents to give effect to the Hypothecated Assets;
- (g) the security interest created on the Hypothecated Assets shall be a continuing security as described in the Deed of Hypothecation;
- (h) the Hypothecated Assets shall satisfy the eligibility criteria set out in the Deed of Hypothecation;
- (i) nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Issuer to the Debenture Trustee and/or the Debenture Holders; and
- (j) the Debenture Holders shall have a beneficial interest in the Hypothecated Assets of the Issuer which have been charged to the Debenture Trustee to the extent of the Outstanding Amounts of the Debentures under the Debenture Trust Deed; and
- (k) forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets.

13. Execution of Security Documents

In the event of any delay in the execution of the Deed of Hypothecation, the Issuer will, at the option of the Debenture Holders, either:

- (a) refund the Application Money as set out in the Debenture Trust Deed, to the Debenture Holders; or
- (b) pay to the Debenture Holders penal interest at 2% (Two percent) per annum in addition to the Interest Rate till the Deed of Hypothecation is duly executed.

14. Filings; Compliance with BSE requirements

The Issuer hereby further agrees, declares and covenants with the Debenture Trustee that:

- (a) while submitting half yearly/annual financial results in accordance with Regulation 52 of the LODR Regulations, the Issuer shall file with the BSE for dissemination, along with a noting certificate of the Debenture Trustee, containing, *inter alia*, the following information:
 - (i) credit rating (and any change thereto);
 - (ii) asset cover, if required, accompanied with a half yearly certificate regarding maintenance of Security Cover in respect of the Debentures, by either a practicing company secretary or a practicing chartered accountant, within one month from the end of the half year;
 - (iii) debt to equity ratio accompanied with a certificate of a practicing chartered accountant

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- (iv) confirming such debt to equity ratio;
- (v) previous Due Date for the payment of interest/principal and whether the same has been paid or not; and
- (vi) next Due Date for the payment of interest/principal;
- (vii) debt service coverage ratio (if required);
- (viii) interest service coverage ratio (if required);
- (ix) outstanding redeemable preference shares (quantity and value);
- (x) debenture redemption reserve;
- (xi) net worth;
- (xii) net profit after tax;
- (xiii) earnings per share;
- (b) in accordance with Regulation 52 of the LODR Regulations, the Issuer shall file with the BSE the prescribed statements, financial statements and noting certificate of the Debenture Trustee within the timelines prescribed therein;
- (c) in accordance with Regulation 56 of the LODR Regulations, the Issuer shall submit the following to the Debenture Trustee:
 - (i) a copy of the annual report at the same time as it is issued and a copy of the certificate from the Issuer's auditors in respect of utilisation of funds raised by the issue of the Debentures, at the same time or at the end of each financial year until such funds have been fully utilized or the purpose for which such funds were intended has been achieved;
 - (ii) a copy of all notices, resolutions and circulars relating to any new issue of non-convertible debt securities (at the same time as they are sent to shareholders/holders of non-convertible debt securities), the meetings of holders of non-convertible debt securities (at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings);
 - (iii) intimations regarding any revision in the rating or any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities issued by the Issuer or any failure to create charge on the assets; and
 - (iv) a copy of the statement, if any filed with the BSE in compliance of Regulation 52(7) of the LODR Regulations indicating material deviations, if any, in the use of funds raised by the issue of the Debentures from the object stated in the Information Memorandum;
- (d) in accordance with Regulation 58 of the LODR Regulations, the Issuer shall furnish the following to the Debenture Holders in the manner prescribed therein:
 - (i) physical copies of full annual reports to those Debenture Holders who request the same;
 - (ii) notice of all meetings of the Debenture Holders specifically stating that the provisions for appointment of proxy in accordance with Section 105 of the Act shall be applicable for such meeting; and
 - (iii) proxy forms for the Debenture Holders clearly providing the Debenture Holders to vote for each resolution in such a manner that they may vote either for or against each resolution.

7.6 Negative Covenants

The Company hereby covenants with the Debenture Trustee that the Company shall not, for so long as any amount remains outstanding under the Debentures, (except as may otherwise be previously agreed to in writing by the Debenture Trustee (acting upon the receipt of the prior written approval of the Majority Debenture Holder(s)):

- a) Change the general nature and conduct of its business from that which is permitted
- b) Engage in or undertake any corporate restructuring, re-organisation and / or re-capitalisation of any sort, including but not limited to merger, spin-offs, demerger, consolidation, reorganisation, amalgamation, reconstruction, capital reduction and liquidation, except as permitted under the Transaction Documents.


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- c) Enter into any material compromise or arrangement or settlement with any of its creditors that would prejudicially affect the interests of the Debenture Holder(s).
- d) Make any amendments the constitutional documents an in a manner which would prejudicially affect the interests of the Debenture Holder(s).
- e) Declare or pay any dividend to its shareholders during any financial year unless (i) it has paid the amounts then due and payable on the Debentures, or has made provisions satisfactory to the Debenture Trustee for making such payments.
- f) Wind-up, liquidate or dissolve its affairs.
- g) Dilute/ change/ transfer the shareholding of the Company that results in Hinduja Group's shareholding falling below 51% or change in Management Control of the Company.

"Management Control" with relation to the Company shall mean -

- a) holding by any person directly or indirectly of more than 50% of the voting share capital of the Company and ability of that person to direct or cause direction of the management and policies of the Company, whether by operation of law or by contract or otherwise; or
- b) the ability of that person to appoint or cause the appointment of more than 50% of the directors on the Board of the Company and ability of that person to direct or cause direction of the management and policies of the Company, whether by operation of law or by contract or otherwise;
- c) Declare any dividend on its share capital or pay interest on loans/ quasi equity from Promoters, associate companies and/or strategic investors, if:
 - i. if the Issuer fails to meet its obligations to pay interest and/or installments and/or other monies due to the Debenture Holders which shall have become due and as long as it is in such default; or
 - ii. If an Event of Default has occurred and is continuing; or
 - iii. Issuer is not in compliance of the Financial Covenants; or
 - iv. If the Restricted Payments are not permitted under Applicable Laws.

7.7 Events of Default

(a) Payment Defaults

The Issuer does not pay on any Due Date any amount payable pursuant to the Debenture Trust Deed and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 5 business days.

(b) Insolvency/Inability to Pay Debts

The Issuer is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness.

(c) Business

The Issuer without obtaining the prior consent of the Special Majority Debenture Holders ceases to carry on its business or gives notice of its intention to do so.

(d) Change of Control

A change of Control occurs without the prior written consent of the Special Majority Debenture Holders.

(e) Financial Covenants

The Issuer breaches one (or more) of the financial covenants prescribed in Section 7.3 above and such breach continues unremedied for 180 Business Days of occurrence, unless waived by the Debenture Trustee (with the prior consent of the Majority Debenture Holders) by way of a written intimation.

(f) Misrepresentation

Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Issuer proves to have been incorrect, false or misleading in any material respect when made or deemed to be made.

(g) Material Adverse Effect

- I. A Material Adverse Effect occurs and is continuing.
- II. If extraordinary circumstances have occurred which make it improbable for the Company

to fulfill its obligations under the Debentures

- (h) **Liquidation or Dissolution of the Issuer / Appointment of Receiver or Liquidator**
 Any corporate action, legal proceedings or other procedure or step is taken in relation to:
- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of the Issuer;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer;
 - (iv) the Issuer, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets");
 - (v) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) or under any other Applicable Law, in respect of the Issuer;
 - (vi) enforcement of any security over any assets of the Issuer or any analogous procedure or step is taken in any jurisdiction; or
 - (vii) any other event occurs or proceeding under any Applicable Law that would have an effect analogous to any of the events listed in sub-Clauses (i) to (vi) above.
- (i) **Cross Default**
 The Issuer:
- (i) defaults in any payment of any Financial Indebtedness;
 - (ii) defaults in any payment obligation under any contract (apart from payment obligations arising under any Financial Indebtedness) which are not disputed; or
 - (iii) the holder of any Financial Indebtedness accelerating such Financial Indebtedness prior to its stated maturity.
- (j) **Creditors' Process**
 Any expropriation, attachment, garnishing, sequestration, distress or execution affects any asset or assets of the Issuer and has a Material Adverse Effect and is not stayed or discharged within 90 Business Days of occurrence or as otherwise provided in any order of any competent court or tribunal relating to the aforementioned actions.
- (k) **Unlawfulness**
 It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Issuer under any Transaction Document are not or cease to be valid, binding or enforceable.
- (l) **Repudiation**
 The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.
- (m) **Breach of Terms**
 A breach by the Issuer of any of its representations, obligations and covenants provided in terms of the Debenture Trust Deed or the other Transaction Documents (other than sub-paragraphs (a) to (o) above), and is not rectified within 15 (fifteen) days of occurrence or such other time period as may be agreed with the Debenture Holders.
- (n) **Security**
 The value of the Hypothecated Assets is insufficient to maintain the Security Cover and the Issuer fails to maintain the Security Cover within the stipulated timelines prescribed in the Deed of Hypothecation.
- (o) **Charge over Hypothecated Assets**
 The Issuer creates or attempts to create any charge on or in any manner deal with the Hypothecated Assets or any part thereof, in addition to the charge created under the Deed of Hypothecation without the consent of the Special Majority Debenture Holders.
- (p) **Security in Jeopardy**
 In the opinion of the Debenture Trustee any Hypothecated Asset(s) is in jeopardy.

(q) **Alteration in MoA or AoA that would affect interest of Debenture Holders**

If the Company, shall without the previous consent in writing of the Debenture Trustee, make or attempt to make any alteration in the provisions of its memorandum and/or articles of association which would upon such alteration detrimentally affect the interests of the Debenture Holder(s)/Beneficial Owner(s)

(r) **Clearances required in relation to the Debentures**

Any of the necessary clearances required in relation to the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, have Material Adverse Effect on the Company or the Debentures.

(s) **Delisting**

If the Debentures are listed and any Debenture is subsequently delisted from any exchange on which it is listed without the prior written consent of the Debenture Trustee

(t)

If any Event of Default or any event which, after notice or lapse of time or both, would constitute an Event of Default, the Company shall forthwith give notice thereof to the Debenture Trustee in writing specifying the nature of such Event of Default or of such event.

(u) **Transaction Documents**

This Deed or any other Transaction Document in whole or in part, are terminated or cease to be effective or cease to be a legally valid, binding and enforceable obligation of the Company.

(v) The authority or permission to carry on the material business of the Company has been revoked by the competent Government Authority and such revocation has not been quashed/ withdrawn within 30 (thirty) calendar Days from the date of such revocation and which has a Material Adverse Effect on the Company as a whole.

(w) An event of total loss or nationalisation or expropriation of all or substantially all of the assets, or a material portion of the assets shall temporarily be subject to a nationalisation and such temporary nationalisation could reasonably be expected to have a Material Adverse Effect.

(x) Any event (including more than 3 notch rating downgrade) has occurred which, in the sole discretion of the Debenture Trustee/Debenture Holder, is likely to have a Material Adverse Effect.

(z) There shall have occurred a change in the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Company since the date hereof that has resulted in a Material Adverse Effect, as determined by the Debenture Trustee (acting solely on the instructions of the Majority Debenture Holders).

(aa) If the Company, in regards to any Financial Indebtedness availed by it from the Debenture Holders and/or any third party (A) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created or (B) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness, the effect of which is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time) any such Indebtedness to become due prior to its stated maturity (C) due to any default or an event of default, any Financial Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof.

(ab) The promoter(s) of the Company or any of the senior management officials including Key Managerial

Personnel (each as defined under the Act) being declared as a 'wilful defaulter' as defined under the applicable RBI regulations and/or the promoter and/or the any of the director(s) of the Company are accused of, charged with, arrested or convicted in a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter(s) and/or the director(s), including any accusations, charges and/or convictions of any offence relating to bribery;

(ac) A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefits of its creditors generally and such proceeding is not contested by the Company for staying, quashing or dismissed within 15 (Fifteen) calendar days.

(ad) The Company has taken or suffered to be taken any action for re-organisation of its share capital or any rearrangement, merger or amalgamation without the prior written approval of the Debenture Holder(s).

In the opinion of the Debenture Trustee, any of the Transaction Documents fails to provide the security interest, rights, title, remedies, power or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests do not have the priority contemplated under the Transaction Documents, or the Security Interest created thereunder become unlawful, invalid, or unenforceable.

Voting

All voting in relation to the Debentures will be subject to the voting arrangements as specified in this Information Memorandum and the Debenture Trust Deed.

Inter- Creditor Agreements

In accordance with the SEBI circular dated October 13, 2020 bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 in relation to the standardisation of procedure to be followed by debenture trustees in case of default by issuers of listed debt securities, the Debenture Trustee shall not enter into any inter creditor arrangement unless agreed to in writing by 75% of the Debenture Holders (by outstanding Nominal Value) and 60% of the Debenture Holders (by number).

FOR HINDUJA LEYLAND FINANCE LTD.

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7.0 APPLICATION PROCESS

a) HOW TO APPLY

The Issue will open on the issue opening date and close on the issue closing date (both days inclusive) as stated herein below. Potential investors who wish to invest in the Issue are requested to submit an application for the Debentures with all the accompanying documents and the application money at any time starting from the issue opening date and up to the issue closing date.

The Company shall pay interest on the application money at the rate to be set out herein. On the issue closing date, the cut-off time for submitting the application along with the accompanying documents and the application money is 2:00 pm, if application money is credited through RTGS. Applications for the Debentures must be made in the Application Form and must be completed in block letters in English by investors. The full amount of the Face Value applied for has to be paid along with the delivery of the fully completed and executed Application Form together with other applicable documents described below.

b) WHO CAN APPLY

Only eligible investors who have been addressed through a communication directly by the Company can apply. No person who has not received a direct communication from the Company may apply in this Issue. The following categories of investors, when specifically approached, are eligible to apply for this Private Placement of Debentures.

- Multilateral development banks
- Companies
- Banks and NBFCs
- Individuals, HUFs, and Partnerships
- Financial Institutions and Insurance companies
- Mutual Funds
- Foreign Institutional Investors registered with SEBI and having adequate corporate debt limits
- Qualified Foreign Investors

Any other investor authorized to invest in these Debentures. All Investors are required to comply with the relevant regulations / guidelines applicable to them for investing in this issue of Debentures. Foreign Institutional Investors are allowed to purchase the Debentures on the secondary market subject to applicable law.

c) PERMANENT ACCOUNT NUMBER

The applicants should mention the PAN allotted under Income Tax Act, 1961 and the IT Circle / Ward / District should be mentioned in the prescribed Application Form. Applications which are not in compliance with the above requirement shall be liable to be rejected.

d) KYC (KNOW YOUR CUSTOMER)

The applicants should submit the required KYC documents as prescribed by RBI along with the Applications Forms. Applications which are not in compliance with the above requirement shall be liable to be rejected.

e) SUBMISSION OF COMPLETED APPLICATION FORM

All applications duly completed and accompanied with necessary documents are to be submitted to the Company at its Registered Office.

f) PROCEDURE FOR APPLICATIONS

Applications for the Debentures must be made in the prescribed Application Form set out in Annexure I hereof, and must be completed in block letters in English by investors. Completed Application Forms must be submitted as mentioned above. The issue price of the Debentures applied for has to be paid along with the

delivery of the fully completed and executed Application Form together with other applicable documents described below:

The application must be accompanied by copies of (i) FII Registration Certificate, (ii) Power of Attorney, if applicable, (iii) Specimen signatures of authorized signatories. The subscription amount shall be made by way of RTGS / NEFT to the account as mentioned in Clause 10 (e) (iii) above.

g) RIGHT TO ACCEPT / REJECT APPLICATIONS

The Issuer is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Application Forms which are incomplete or which do not fulfil the terms & conditions indicated on the back of the Application Form are liable to be rejected.

h) COMPLIANCE OFFICER

In case of any Pre-Issue / Post-Issue related problems such as non-receipt of Letters of Allotment / refund orders etc., the Investors are requested to contact the Compliance Officer as given below:

B Shanmugasundaram
 Company Secretary and Compliance Officer
 27-A, Developed Industrial Estate, Guindy, Chennai – 600032
 Tel: 044-39252523
 Email ID: compliance@hindujaleylandfinance.com

i) DEPOSITORY ARRANGEMENT

The Company has appointed Integrated Registry Management Services Ltd. as Registrar and Transfer Agents for the Debenture issuance. Hinduja Leyland Finance Limited has entered into depository arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Any communication to the Registrar and Transfer Agent shall be sent to the below mentioned address:

Mr. Ganesh Jadhav
 LINK INTIME INDIA PVT LTD
 C-101 , 247 PARK, L.B.S MARG VIKHROLI WEST, MUMBAI -400083
 Tel: 022-49186000; Fax: 022-49186060
 Email: team.bonds@linkintime.co.in
 Website: www.linkintime.in

j) PURCHASE / RE-ISSUE OF DEBENTURES / CANCELLATION OF DEBENTURES

The Company may, at any time and from time to time, purchase Debentures at a discount, at par, or at a premium, in the open market or otherwise in accordance with the applicable laws. Such Debentures may, at the option of the Company, be cancelled, held or reissued at such a price and on such terms and conditions as the Company may deem fit and as permitted by law.

k) REGISTER OF DEBENTURE HOLDERS

A Register of Debenture Holders shall be maintained in accordance with Section 88 of the Act and the Register of Debenture Holders/the Register of Beneficial Owners shall be closed within the Record Date.

l) CONFLICT

In case of any inconsistency where there is a conflict between the conditions as stipulated in this Information Memorandum and the Debenture Trust Deed, the provisions of the Debenture Trust Deed shall prevail and override the provisions of this Information Memorandum. The Issuer agrees, upon request in writing from the Trustee, to issue any supplementary Information Memorandum and ensure that this is consistent with the terms and conditions set out in the Debenture Trust Deed.

m) DEBENTURE CASH FLOWS

For HINDUJA LEYLAND FINANCE LTD.
 AUTHORISED SIGNATORY

As Provided in Annexure - 2

8.0 DISCLOSURE PERTAINING TO WILFUL DEFAULTS –

Name of the bank declaring the entity as a wilful defaulter	NOT APPLICABLE
The year in which the entity is declared as a wilful defaulter	NOT APPLICABLE
Outstanding amount when the entity is declared as a wilful defaulter	NOT APPLICABLE
Name of the entity declared as a wilful defaulter	NOT APPLICABLE
Steps taken, if any, for the removal from the list of wilful defaulters	NOT APPLICABLE
Other disclosures as deemed fit by the issuer in order to enable the investors to make informed decisions	NOT APPLICABLE
Any other disclosure as specified by the board	NOT APPLICABLE

For HINDUJA LEYLAND FINANCE LTD.


 AUTHORIZED SIGNATORY

9.0 DECLARATION

It is hereby declared that:

- (a) this Information Memorandum contains full disclosures in accordance with the Securities and Exchange Board of India (NCS Regulations), 2021 and Form PAS 4 (Pursuant to Section 42 of Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014);
- (b) the Issuer also confirms that this Information Memorandum does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made misleading. The Information Memorandum also does not contain any false or misleading statement;
- (c) the Issuer accepts no responsibility for the statement made otherwise than in this Information Memorandum or in any other material issued by or at the instance of the Issuer and that any one placing reliance on any other source of information would be doing so at his own risk;
- (d) the Issuer has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- (e) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of the Debentures if applicable is guaranteed by the Central Government; and
- (f) the monies received under the Issue shall be used only for the purposes and objects indicated in this Information Memorandum.

As per resolution of the Board of Directors dated 19th September, 2022, Mr. S. Nagarajan, Whole Time Director and Executive Vice Chairman, Mr. Sachin Pillai, Managing Director or Mr. Vikas Jain, Chief Financial Officer have been severally authorized to issue the Information Memorandum and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form

For Hinduja Leyland Finance Limited,

For HINDUJA LEYLAND FINANCE LTD.



Mr. Vikas Jain AUTHORIZED SIGNATORY

Chief Financial Officer

Date:

Place: Chennai

Attachments:

- I.** Annexure 1: Application Form
- II.** Annexure 2: Proposed Cash Flows
- III.** Annexure 3: Rating Letter
- IV.** Annexure 4: Debenture Trustee Consent Letter
- V.** Annexure 5: Extract of Board Resolution of the Company in relation to the particulars of this Offer.
- VI.** Annexure 6: Abridged version of Audited Standalone Financial Information

For HINDUJA LEYLAND FINANCE LTD.



AUTHORISED SIGNATORY

ANNEXURE 1 - APPLICATION FORM

Serial No. []

HINDUJA LEYLAND FINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: 12th November 2008

Registered Office: Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai-400018

Telephone No.: +91 44 3925 2525

Website: <http://www.hindujaleylandfinance.com>

DEBENTURE SERIES APPLICATION FORM SERIAL NO.									
---	--	--	--	--	--	--	--	--	--

ISSUE OF UPTO 5,000 RATED, LISTED, SECURED, SENIOR, REDEEMABLE, TAXABLE, PRINCIPAL PROTECTED NON-CONVERTIBLE MARKET LINKED DEBENTURES OF FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKHS ONLY) EACH, AGGREGATING UP TO RS. 50,00,00,000 (INDIAN RUPEES FIFTY CRORES ONLY) ON A PRIVATE PLACEMENT BASIS (THE "ISSUE") WITH A GREEN SHOE OPTION OF 10,000 MARKET LINKED DEBENTURES FOR AN AMOUNT UPTO RS. 100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORES ONLY) (THE "ISSUE")

DEBENTURE SERIES APPLIED FOR:

Number of Debentures.....In words
Amount Rs.

DETAILS OF PAYMENT:

RTGS

No. _____ Drawn on _____

Funds transferred to Hinduja Leyland Finance Limited

Dated _____

Total Amount Enclosed

(In Figures) _____ (In words) _____

APPLICANT'S NAME IN FULL (CAPITALS) SPECIMEN SIGNATURE

--	--

APPLICANT'S ADDRESS

ADDRESS					
STREET					
CITY					
PIN		PHONE		FAX	

APPLICANT'S PAN/GIR NO. _____
IT CIRCLE/WARD/DISTRICT _____

WE ARE (x) COMPANY () OTHERS () SPECIFY _____

We have read and understood the terms and conditions of the issue of Debentures including the risk factors described in the information memorandum dated 24th January 2023 ("**Information Memorandum**") and have considered these in making our decision to apply. We bind ourselves to the terms and conditions of the Information Memorandum and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's
Signature

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

- a.
- b.

DEPOSITORY	NSDL () CDSL ()
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	
Applicant Bank Account : (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	Beneficiary Bank Name: Account No: IFSC Code: Branch:

FOR OFFICE USE ONLY

DATE OF RECEIPT _____ DATE OF CLEARANCE _____

For HINDUJA LEYLAND FINANCE LTD.



AUTHORISED SIGNATORY

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Information Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

Applicant's
Signature

FOR OFFICE USE ONLY

DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note : Cheque and Drafts are subject to realisation)

------(TEAR HERE)-----

- ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) SERIAL NO.

Received from _____

Address _____

Cheque/Draft/UTR # _____ Drawn on _____ for Rs. _____
 on account of application of _____ Debenture

For HINDUJA LEYLAND FINANCE LTD.


 AUTHORIZED SIGNATORY

INSTRUCTIONS

1. Application forms must be completed in full **IN ENGLISH**.
2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.
3. Application form duly completed in all respects must be submitted with the respective Collecting Bankers. Cheque(s)/Demand Draft(s) should be drawn in favour of "**Hinduja Leyland Finance Limited**" and crossed "**A/C Payee Only**" Cheque(s)/Demand Draft(s) may be drawn on any scheduled bank and payable at Mumbai. The payment can also be made through RTGS as per the following details:

Beneficiary name	Hinduja Leyland Finance Limited
Beneficiary account no.	30670258589
Bank	State Bank of India
Branch and Address	State Bank of India CAG Branch 3rd Floor, Sigappi Aachi Buildings 18/3 Rukmani Lakshmi pathi Road Chennai – 600 008
Account type	Current
IFSC code	SBIN0009999

The Company undertakes that the application money deposited in the above-mentioned bank account shall not be utilized for any purpose other than

- a) for adjustment against allotment of securities; or
 - b) for the repayment of monies where the company is unable to allot securities.
4. Outstation Cheques, Cash, Money Orders, Postal Orders and Stock Invest shall not be accepted.
 5. Receipt of applicants will be acknowledged by the Company in the "Acknowledgement Slip" appearing below the application form. No separate receipt will be issued.
 6. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest including interest payable on application money.
 7. The application would be accepted as per the terms of the Scheme outlined in the transaction documents for the private placement.

PART – B

(To Be filled by the applicant)

- (i) **Name:**
- (ii) **Father's Name:**
- (iii) **Complete Address:**
(including Flat/House Number Street Locality Pin Code)
- (iv) **Phone Number if any:**
- (v) **Email ID if any:**
- (vi) **PAN Number:**
- (vii) **Bank Account Details:**

For HINDUJA LEYLAND FINANCE LTD.



 AUTHORIZED SIGNATORY

Signature

Initial of the officer of the Company designated to keep the record

ANNEXURE 2 - ILLUSTRATION OF DEBENTURE INDICATIVE CASH FLOWS

INTEREST PAYMENT DATES

INTEREST PAYMENT DATE	INTEREST DUE (IN INR)
27 th January, 2026	Rs. 14,05,56,978/-

REDEMPTION SCHEDULE

DATE	NATURE OF PAYMENT	AMOUNT TO BE REDEEMED (IN INR)
27 th January, 2026	Redemption of principal	Rs. 50,00,00,000/-

Scenario Analysis

(By way of illustration)

Any change in the below mentioned data due to unforeseeable circumstances in the future during the tenure of the MLDs would be intimated to Stock Exchange and the Debenture Trustees before effecting the change.

The terms „Reference Index“, „Initial Fixing Level“, „Initial Fixing Date“, „Final Fixing Level“ and „Final Fixing Date“ are as defined in the Terms of Issue.

If Final Fixing Level \geq 25% of the Initial Fixing level

Date	Outflows	Redemption Amount
	A	B
27-Jan-23	-1,00,000	
27-Jan-26		1,28,111

Calculated Yield (XIRR i.e IRR based on schedule of cash flows ##) 8.60%

If Final Fixing Level $<$ 25% of the Initial Fixing level

Date	Outflows	Redemption Amount
	A	B
27-Jan-23	-1,00,000	
27-Jan-26		1,00,000

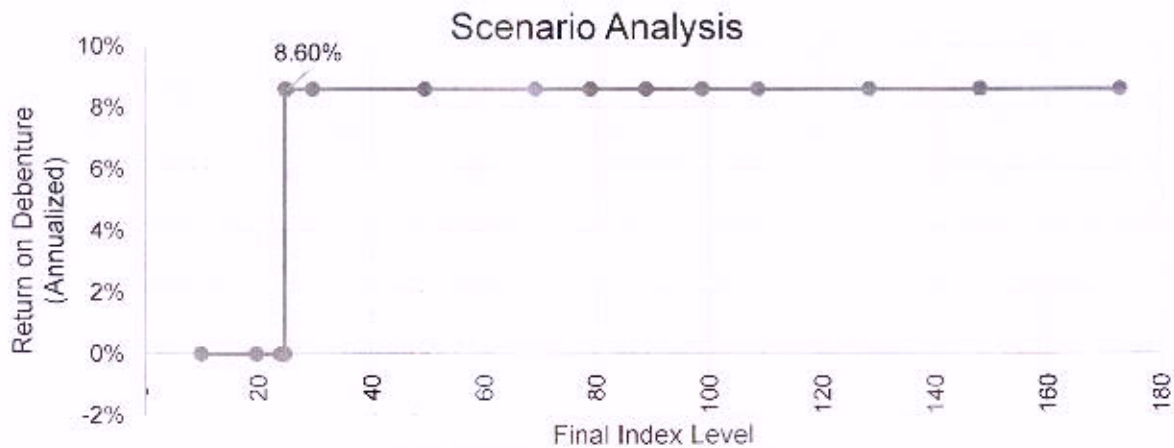
Calculated Yield (XIRR i.e IRR based on schedule of cash flows ##) 0.00%

Implied annualized return to investor on IRR basis. For avoidance of doubt, cash flow to investor is only on maturity date.

For HINDUJA LEYLAND FINANCE LTD.

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Performance of Reference Index (% of initial Fixing Level)	Initial Investment in MLD (INR)	Redemption Amount (INR)	Return on Debenture (Annualized)
10.00%	1,00,000	1,00,000	0.00%
20.00%	1,00,000	1,00,000	0.00%
24.99%	1,00,000	1,00,000	0.00%
25.00%	1,00,000	1,28,111	8.60%
50.00%	1,00,000	1,28,111	8.60%
75.00%	1,00,000	1,28,111	8.60%
100.00%	1,00,000	1,28,111	8.60%
110.00%	1,00,000	1,28,111	8.60%
130.00%	1,00,000	1,28,111	8.60%
150.00%	1,00,000	1,28,111	8.60%
175.00%	1,00,000	1,28,111	8.60%
190.00%	1,00,000	1,28,111	8.60%

For HINDUJA LEYLAND FINANCE LTD.


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No. CARE/CRO/RL/2022-23/1321

Shri Vikas Jain
Chief Financial Officer
Hinduja Leyland Finance Limited
27 A, Developed Industrial Estate,
Guindy, Chennai
Tamil Nadu-600032

December 23, 2022

Confidential

Dear Sir,

Credit rating for bank facilities

On the basis of recent developments including operational and financial performance of your Company for FY22 (Audited) and H1FY23 (Provisional), our Rating Committee has reviewed the following ratings:

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	17,503.00	CARE AA; Stable (Double A; Outlook: Stable)	Revised from CARE AA-; Stable (Double A Minus; Outlook: Stable)
Short Term Bank Facilities	200.00	CARE A1+ (A One Plus)	Reaffirmed
Total Facilities	17,703.00 (Rs. Seventeen Thousand Seven Hundred Three Crore Only)		

2. Refer **Annexure 1** for details of rated facilities.
3. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure 2**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by December 26, 2022, we will proceed on the basis that you have no any comments to offer.

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

CARE Ratings Limited

Unit No. O-509/C, Spencer Plaza, 5th Floor
No. 769, Anna Salai, Chennai – 600 002.
Tel: +91 –44-2849 0811 / 13/ 76

Corporate Office :4th Floor, Godrej Coliseum,
Somaiya Hospital Road, Off Eastern Express
Highway, Sion (East), Mumbai - 400 022
Phone: +91-22-6754 3456
Email: care@careedge.in • www.careedge.in

DN 123130424539, C071501

For HINDUJA LEYLAND FINANCE LTD.


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4. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
6. Our ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
8. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
9. CARE Ratings Ltd. ratings are **not** recommendations to sanction, renew, disburse or recall the concerned bank facilities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

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Encl.: As above

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Ch. 1511804119 053P,0712P1

For HINDUJA LEYLAND FINANCE LTD.


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Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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**Annexure 1
Details of Rated Facilities**

1. Long Term Facilities

1.A. Fund Based Limits

Sr. No	Banker / lender	Amount (Rs. Crore)	Repayment Terms	Remarks
1	Axis Bank	12.50	16 quarterly instalments ending Nov 2022	Term Loan
2	Axis Bank	25.00	12 quarterly instalments ending Mar 2023	Term Loan
3	Axis Bank	83.33	12 quarterly instalments ending Sep 2024	Term Loan
4	Axis Bank	37.50	12 quarterly instalments ending Sep 2024	Term Loan
5	Axis Bank	75.00	12 quarterly instalments ending Sep 2024	Term Loan
6	Axis Bank	33.33	12 quarterly instalments ending Sep 2024	Term Loan
7	Axis Bank	150.00	14 quarterly instalments ending Apr 2028	Term Loan
8	Axis Bank	100.00	14 quarterly instalments ending Apr 2028 (Un-availed: Rs. 100 cr.)	Term Loan
9	Bank of Baroda	62.50	8 half-yearly instalments ending Oct 2022	Term Loan
10	Bank of Baroda	50.00	16 quarterly instalments ending Mar 2023	Term Loan
11	Bank of Baroda	125.00	16 quarterly instalments ending Feb 2025	Term Loan
12	Bank of Baroda	36.11	18 quarterly instalments ending Dec 2025	Term Loan
13	Bank Of Baroda	194.44	18 quarterly instalments ending Dec 2025	Term Loan
14	Bank Of Baroda	41.67	18 quarterly instalments ending Dec 2025	Term Loan
15	Bank Of Baroda	125.00	18 quarterly instalments ending Dec 2025	Term Loan
16	Bank Of Baroda	475.00	20 quarterly instalments ending March 2027	Term Loan
17	Bank of India	437.06	16 quarterly instalments ending Jan 2026	Term Loan
18	Bank of Maharashtra	206.24	16 quarterly instalments ending Jun 2025	Term Loan
19	Bank of Maharashtra	499.99	16 quarterly instalments ending Oct 2026	Term Loan
20	Canara Bank	343.75	16 quarterly instalments ending Jun 2025	Term Loan
21	Canara Bank	406.24	16 quarterly instalments ending Nov 2025	Term Loan
22	Canara Bank	500.00	19 quarterly instalments ending June 2027	Term Loan
23	Central Bank of India	44.99	16 quarterly instalments ending Jun 2023	Term Loan
24	Central Bank of India	56.16	16 quarterly instalments ending Jun 2023	Term Loan
25	Central Bank of India	53.30	18 quarterly instalments ending Dec 2025	Term Loan
26	Central Bank of India	35.52	18 quarterly instalments ending Dec 2025	Term Loan
27	Central Bank of India	126.55	16 quarterly instalments ending Dec 2024	Term Loan
28	Central Bank of India	42.18	16 quarterly instalments ending Dec 2024	Term Loan
29	Central Bank of India	300.00	18 quarterly instalments ending Dec 2024	Term Loan
30	CSB Bank	88.85	18 quarterly instalments ending Sep 2026	Term Loan
31	DBS Bank	50.00	Bullet repayment at maturity ending Jun 2024	Term Loan
32	DBS Bank	50.00	Bullet repayment at maturity ending Jun 2024	Term Loan

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Sr. No	Banker / lender	Amount (Rs. Crore)	Repayment Terms	Remarks
33	Deutsche Bank	277.50	8 quarterly instalments ending Sep 2023	Term Loan
34	Deutsche Bank	129.30	8 quarterly instalments ending Dec 2024	Term Loan
35	Development Credit Bank	40.08	93 monthly instalments ending Jul 2025	Term Loan
36	Federal Bank	4.55	11 quarterly instalments ending Dec 2022	Term Loan
37	Federal Bank	27.27	11 quarterly instalments ending Sep 2023	Term Loan
38	Federal Bank	130.00	15 quarterly instalments ending Nov 2025	Term Loan
39	Federal Bank	250.00	15 quarterly instalments ending October 2026 (Un-availed: Rs. 250 cr.)	Term Loan
40	HDFC Bank	20.83	36 monthly instalments ending Dec 2023	Term Loan
41	HDFC Bank	20.83	36 monthly instalments ending Dec 2023	Term Loan
42	HDFC Bank	42.86	36 monthly instalments ending Dec 2023	Term Loan
43	HDFC Bank	44.12	36 monthly instalments ending Dec 2023	Term Loan
44	HDFC Bank	150.00	36 Months instalments ending Mar 2024	Term Loan
45	HDFC Bank	29.17	34 Months instalments ending Mar 2024	Term Loan
46	HDFC Bank	66.67	34 Months instalments ending Mar 2024	Term Loan
47	HDFC Bank	66.67	34 Months instalments ending Mar 2024	Term Loan
48	HDFC Bank	214.29	36 monthly instalments	Term Loan
49	HDFC Bank	244.05	42 monthly instalments	Term Loan
50	ICICI Bank	33.33	12 quarterly instalments ending Mar 2023	Term Loan
51	ICICI Bank	100.00	12 quarterly instalments ending Sep 2023	Term Loan
52	IDBI Bank	149.98	12 quarterly instalments ending Oct 2027	Term Loan
53	Indian Bank	99.93	10 half-yearly instalments ending Jun 2023	Term Loan
54	Indian Bank	49.99	20 quarterly instalments ending Jan 2025	Term Loan
55	Indian Bank	37.50	20 quarterly instalments ending Jan 2025	Term Loan
56	Indian Bank	45.83	20 quarterly instalments ending Jan 2025	Term Loan
57	Indian Bank	30.00	20 quarterly instalments ending Dec 2025	Term Loan
58	Indian Bank	65.00	20 quarterly instalments ending Dec 2025	Term Loan
59	Indian Bank	48.75	20 quarterly instalments ending Dec 2025	Term Loan
60	Indian Bank	178.74	20 quarterly instalments ending Dec 2025	Term Loan
61	Indian Bank	20.83	60 monthly instalments ending Jan 2027	Term Loan
62	Indian Bank	42.49	60 monthly instalments ending Jan 2027	Term Loan
63	Indian Bank	86.67	60 monthly instalments ending Jan 2027	Term Loan
64	Indian Bank	65.00	60 monthly instalments ending Jan 2027	Term Loan
65	Indian Bank	132.50	60 monthly instalments ending Jan 2027	Term Loan
66	Indian Bank	88.33	60 monthly instalments ending Jan 2027	Term Loan
67	Indian Bank	25.00	20 quarterly instalments ending Jun 2027	Term Loan
68	Indian Bank	75.00	20 quarterly instalments ending Jun 2027	Term Loan

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FOR HINDUJA LEYLAND FINANCE LTD.


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Sr. No	Banker / lender	Amount (Rs. Crore)	Repayment Terms	Remarks
69	Indian Bank	29.95	16 quarterly instalments ending Feb 2023	Term Loan
70	Indian Overseas Bank	283.24	18 quarterly instalments ending Nov 2026	Term Loan
71	Karnataka Bank	9.96	10 quarterly instalments ending Nov 2022	Term Loan
72	Karnataka Bank	87.50	16 quarterly instalments ending Mar 2026	Term Loan
73	Karnataka Bank	100.00	16 quarterly instalments	Term Loan
74	Karur Vysya Bank	125.00	16 quarterly instalments ending Aug 2026	Term Loan
75	Kotak Mahindra Bank	25.00	45 monthly instalments ending Jun 2023	Term Loan
76	Mudra	105.00	11 quarterly instalments ending Jan 2024	Term Loan
77	Mudra	225.00	9 quarterly instalments ending Feb 2025 (Un-availed: Rs. 225 cr.)	Term Loan
78	Punjab National Bank	294.05	20 quarterly instalments ending Mar 2024	Term Loan
79	Punjab National Bank	163.16	12 quarterly instalments ending Sep 2023	Term Loan
80	Punjab National Bank	169.85	20 quarterly instalments ending Mar 2024	Term Loan
81	Punjab National Bank	74.61	16 quarterly instalments ending Aug 2023	Term Loan
82	Punjab National Bank	18.36	16 quarterly instalments ending Dec 2025	Term Loan
83	Punjab National Bank	168.31	16 quarterly instalments ending Nov 2024	Term Loan
84	Punjab National Bank	94.40	16 quarterly instalments ending October 2026	Term Loan
85	Punjab National Bank	377.61	16 quarterly instalments ending October 2026	Term Loan
86	Punjab National Bank	150.00	18 quarterly instalments ending August 2027	Term Loan
87	Punjab National Bank	150.00	18 quarterly instalments ending August 2027	Term Loan
88	Punjab National Bank	700.00	18 quarterly instalments ending August 2027 (Unavailed:700 crore)	Term Loan
89	SIDBI	134.00	12 quarterly instalments August 2024	Term Loan
90	SIDBI	58.30	12 quarterly instalments August 2024	Term Loan
91	SIDBI	600.00	11 quarterly instalments March 2026	Term Loan
92	SIDBI	500.00	36 monthly instalments (Un-availed: Rs. 500 crore)	Term Loan
93	South Indian Bank	8.32	36 monthly instalments ending Nov 2022	Term Loan
94	South Indian Bank	115.00	4 annual instalments ending May 2026	Term Loan
95	South Indian Bank	35.00	4 annual instalments ending May 2026	Term Loan
96	State Bank of India	31.25	16 quarterly instalments ending Nov 2022	Term Loan
97	State Bank of India	31.25	16 quarterly instalments ending Oct 2022	Term Loan
98	State Bank of India	592.12	19 quarterly instalments ending June 2026	Term Loan
99	UCO bank	19.95	5 annual instalments ending Jun 2024	Term Loan
100	UCO bank	115.69	54 monthly instalments ending Nov 2026	Term Loan
101	UCO bank	115.69	54 monthly instalments ending Nov 2026	Term Loan
102	Ujjivan Small Finance Bank	25.00	12 quarterly instalments ending Mar 2024	Term Loan
103	Union Bank of India	25.00	12 quarterly instalments ending Dec 2022	Term Loan
104	Union Bank of India	125.00	12 quarterly instalments ending Mar 2023	Term Loan

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CARE RATING & CREDIT PRACTISE

For HINDUJA LEYLAND FINANCE LTD.


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Annexure-2
Press Release
Hinduja Leyland Finance Limited

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ²	Rating Action
Long-term bank facilities	17,503.00	CARE AA; Stable (Double A; Outlook: Stable)	Revised from CARE AA-; Stable (Double A Minus; Outlook: Stable)
Short-term bank facilities	200.00	CARE A1+ (A One Plus)	Reaffirmed
Total bank facilities	17,703.00 (₹ Seventeen thousand seven hundred three crore only)		
Non-convertible debenture issue - XVII	50.00 (Reduced from 150.00)	CARE AA; Stable (Double A; Outlook: Stable)	Revised from CARE AA-; Stable (Double A Minus; Outlook: Stable)
Non-convertible debenture issue - XVIII	250.00	CARE AA; Stable (Double A; Outlook: Stable)	Revised from CARE AA-; Stable (Double A Minus; Outlook: Stable)
Non-convertible debenture issue - XIX	250.00	CARE AA; Stable (Double A; Outlook: Stable)	Revised from CARE AA-; Stable (Double A Minus; Outlook: Stable)
Non-convertible debenture issue - XIX	300.00	CARE AA; Stable (Double A; Outlook: Stable)	Revised from CARE AA-; Stable (Double A Minus; Outlook: Stable)
Principal protected market- linked debenture issue - I	100.00	CARE PP-MLD AA; Stable (Principal Protected-Market Linked Debentures Double A; Outlook: Stable)	Revised from CARE PP- MLD AA-; Stable (Principal Protected- Market Linked Debentures Double A Minus; Outlook: Stable)
Principal protected market- linked debenture issue - II	100.00	CARE PP-MLD AA; Stable (Principal Protected-Market Linked Debentures Double A; Outlook: Stable)	Revised from CARE PP- MLD AA-; Stable (Principal Protected- Market Linked Debentures Double A Minus; Outlook: Stable)
Subordinated debt - III	200.00	CARE AA; Stable (Double A; Outlook: Stable)	Revised from CARE AA-; Stable (Double A Minus; Outlook: Stable)
Subordinated debt - IV	200.00	CARE AA; Stable (Double A; Outlook: Stable)	Revised from CARE AA-; Stable (Double A Minus; Outlook: Stable)
Subordinated debt - V	175.00	CARE AA; Stable (Double A; Outlook: Stable)	Revised from CARE AA-; Stable (Double A Minus; Outlook: Stable)
Subordinated debt - VI	200.00	CARE AA; Stable (Double A; Outlook: Stable)	Revised from CARE AA-; Stable (Double A Minus; Outlook: Stable)
Subordinated debt - Principal protected market- linked debenture	150.00	CARE PP-MLD AA; Stable	Revised from CARE PP- MLD AA-; Stable (Principal Protected-

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

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Facilities/Instruments	Amount (₹ crore)	Rating ²	Rating Action
		(Principal Protected-Market Linked Debentures Double A; Outlook: Stable)	Market Linked Debentures Double A Minus; Outlook: Stable)
Subordinated debt - II	-	-	Withdrawn
Total Long-term instruments	1,975.00 (₹ One thousand nine hundred seventy-five crore only)		
Commercial paper	1,800.00	CARE A1+ (A One Plus)	Reaffirmed
Total Short-term instruments	1,800.00 (₹ One thousand eight hundred crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The revision in the long-term ratings assigned to the bank facilities and various debt instruments of Hinduja Leyland Finance (HLF) factors in the improvement in capitalisation levels of the company supported by recent equity infusion of ₹910 crore in October 2022 and sustained improvement in scale of operations. Total CAR and Tier I CAR stood at 17.61% and 15.36% as on September 30, 2022 (18.71% and 15.93% as on March 31, 2022).

Including recent capital infusion, Tier I CAR (est.) stood at 20% as on September 30, 2022. HLF has also achieved significant growth in scale of operations in the past five years ended March 2022 wherein loan book almost doubled from ₹9,766 crore as on March 31, 2017 to ₹18,063 crore. During the same period, AUM also grew at a CAGR of 13% to reach ₹26,021 crore as on March 31, 2022.

The rating also factors in support from parent Ashok Leyland Limited (rating revised from 'CARE AA; Negative/ CARE A1+' to 'CARE AA; Stable/ CARE A1+' in November 2022) and benefits derived from being a part of the Hinduja group including periodic infusion of equity on need basis.

The ratings continue to factor-in the experienced management team of HLF, demonstrated ability of HLF to raise funds to support business growth, diversified product profile, geographically-diversified loan portfolio and relatively diversified funding profile. The ratings continue to be constrained by moderate profitability and moderate asset quality.

On January 14, 2022, the Board of NXTDIGITAL Limited (NDL) decided that the Digital Media & Communication Business undertaking of NDL would be transferred to Hinduja Global Solutions Limited (HGS) and HLF will be merged into NDL subsequently. It is to be noted that media and communication Business undertaking which is being transferred to HGS accounted for 100% of NDL's total income in FY21 (refers to the period April 1 to March 31). Post transfer, NDL will have no meaningful operations and will have assets such as cash and small parcel of land (real estate) which is expected to be small in relation to HLF's networth. The merger is unlikely to have an impact on the credit profile of HLF. However, HLF will be listed providing immediate access to equity capital market as existing shareholders of HLF will receive shares of NDL as per share swap valuation.

The Board of Directors of HLF at their meeting held on November 25, 2022 inter alia have unanimously approved the Scheme of Merger by Absorption. The share exchange or swap ratio for the merger of HLF with and into NDL has been finalized. The proposed merger shall be subject to applicable regulatory and shareholder approvals.

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CARE Ratings Limited (CARE Ratings) has withdrawn the rating assigned to the Subordinated Debt-II of HLF with immediate effect, as the company has repaid the subordinated debt issue in full and there is no amount outstanding under the issue as on date.

Rating Sensitivities

Positive Factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Significant increase in the scale of operations along with improvement in asset quality and profitability parameters on a sustained basis
- Improvement in the credit profile of the parent

Negative Factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Further moderation in asset quality and delinquency levels with GNPA (AUM basis) on a sustained basis.
- Deterioration in capital adequacy parameters with total CAR falling below 16% on a sustained basis
- Significant deterioration in the credit profile of the parent

Detailed description of the key rating drivers

Key rating strengths

Strong parentage and benefits derived from being part of the Hinduja group:

The Hinduja group, established in Mumbai in 1918, has global presence across 30 countries. The group has presence in various industries, including automotive, banking & finance, information technology (IT)/ information technology-enabled services (ITES) and energy & chemicals. HLF is the subsidiary of Ashok Leyland Limited (ALL, rated 'CARE AA; Stable/ CARE A1+'), one of the leading players in domestic commercial vehicle segment. HLF is a strategically-important subsidiary for ALL, and ALL vehicles constitute 35% of HLF's AUM as on March 31, 2022. Being part of the Hinduja group, HLF enjoys significant financial flexibility in terms of mobilising funds from various sources at competitive rates. CARE Ratings Limited (CARE Ratings) expects the parent to continue provide need-based support to HLF.

Experienced promoters and senior management team:

The Hinduja group has a track record of establishing and successfully running banking & finance companies. The experience of the management team in running the similar business is a key strength for HLF. Mr. Dheeraj Hinduja, chairman of ALL, is also the chairman of HLF. The board of HLF consists of eleven directors, including six independent directors with rich experience in the financial services sector. Also, the company has an experienced senior management team which takes care of the day-to-day operations of the company.

Established credit appraisal, risk monitoring and collection:

The branch structure consists of one Branch Manager, one Marketing Executive (M.E) and one Collection Executive. The Marketing Executive (M.E) obtains the applications on pre-printed Proposal Booklet and Proposal Evaluation Form. The Field Investigation is carried out by the Marketing Executive. The Branch Manager or Location Manager reviews the proposal. The documents are sent for Approval / Sanction to appropriate authority as per delegation of powers. Post approval and completion of pre-disbursal documentation, the loan amount is to be disbursed post creation of the contract and checking of complete file. Credit Audit team will do the review on documents and policy adherence points and give feedback to location for any discrepancies. The collection process has been strengthened by employing larger supervisory levels and launch of a collections app. The collections happen in the form of National Automated Clearing House (NACH)/cheque and cash.

Based on the knowledge and expertise gained in the financial services sector, the management has developed an in-house enterprise IT system. In addition to providing complete information about each account throughout its credit life cycle, the IT system also aids the management in monitoring/reviewing its portfolio on a daily basis.

HLF has an associate company, HLF Services Limited, which provides employee support to HLF in addition to the on-roll employees. As on March 31, 2022, on-roll and off-roll employees (through HSL) stood at 1,531 (PY: 1,564) and 5,266 (PY: 5,799), respectively.

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Diversified funding profile; however, bank funding remains a major source in the recent years:

HLF's funding profile is well diversified with access towards low-cost funding from banks, market instruments like non-convertible debentures (NCDs) and subordinated debt and short-term commercial papers. HLF's bank borrowings are diversified with borrowings from various banks which include a good mix of both public and private sector banks. As on March 31, 2017, bank capital market borrowings (NCD and Sub-debt) stood at 30% of total borrowings. However, over the years same has declined to 16% as on March 31, 2022.

The share of bank borrowings (including CC/WCDL) stood at 80% as on March 31, 2022 as against 79% as on March 31, 2021.

NCDs constituted 8% of total borrowings, followed by Sub-debt constituting 7% of the total borrowings, and term loan from financial institutions (FIs/NBFCs) (Small Industries Development Bank of India [SIDBI] and Mudra, 4%), and PTC (1%) as on March 31, 2022.

As on September 30, 2022 the share of bank borrowings stood at 80% followed by NCD (7%), sub-debt (6%), term loan from FIs/NBFCs (7%), and PTC (0.3%). CP outstanding as on September 30, 2022, continues to remain Nil. CARE expects, share of capital market borrowings to increase going forward in the medium term.

Improved capitalisation levels supported by recent capital infusion of ₹910 crore:

With moderate growth in the portfolio and internal accruals during FY22, total capital adequacy ratio (CAR) and Tier I CAR improved and stood at 18.71% and 15.93% as on March 31, 2022 as against 17.98% and 15.30% as on March 31, 2021.

Further, with growth in AUM during H1FY23, Total CAR and Tier I CAR slightly moderated to 17.61% and 15.36% as on September 30, 2022. During October 2022, HLF has mobilised ₹910 crore from Qualified Institutional Buyers (QIB), thus resulting in improvement in CRAR levels. Considering the equity infusion, Tier I CAR would have gone up by around 5% as on September 30, 2022. Going forward, consequent to merger with NXT Digital, network is expected to improve further. The recent capital infusion is to support AUM growth over the medium term in the existing business segments. It is to be noted that in the recent past, IndusInd International Holdings Limited, Mauritius reportedly submitted bids to acquire assets of Reliance Capital Limited which is under IBC. However, no cash outflow is expected from HLF in this regard.

The overall gearing stood at 4.2x as on March 31, 2022 as against 4.6x as on March 31, 2021. Overall gearing (ON AUM basis) stood at 5.5x as on March 31, 2022 as against 5.9x as on March 31, 2021. The Hinduja group has been providing need-based support to the company in the form of fresh equity infusion as and when required.

HLF has a wholly-owned subsidiary, Hinduja Housing Finance Limited (HHFL), incorporated in FY16 to operate in the housing finance segment. HLF has been continuously infusing equity to support the growth of HHFL and as on March 31, 2022, HLF has infused ₹292 crore (including ₹77 crore in FY22) since inception. HHFL's AUM stood at ₹4,048 crore as on March 31, 2022, as against ₹2,585 crore as on March 31, 2021 (₹5,241 crore as on September 30, 2022). HLF has made investments in Gro Digital Platform (a 50:50 joint venture between ALL and HLF) which provides various solutions to Transporters and Gaadimandi Platform (100% owned by HLF) which is a digital platform for buying & selling of pre-owned vehicles.

Diversified product portfolio along with geographical diversification:

With the slowdown in auto sales (mainly in commercial vehicle segment) during FY20 and FY21 and lockdown because of COVID-19, HLF had reported a modest growth in AUM of 4% and 3% during FY20 and FY21, respectively. Further impacted by the second wave of COVID-19 induced pandemic in H1FY22, and low disbursement during H1FY22, AUM degrow by 5% in FY22. AUM stood at ₹26,021 crore as on March 31, 2022 as against ₹27,294 crore as on March 31, 2021. However, in the past five years ended March 2022, AUM has almost doubled from ₹14,070 crore as on March 31, 2017. AUM stood at ₹26,502 crore as on September 30, 2022. Disbursements de-grew by 5% in FY22 and stood at ₹8,550 crore as against ₹9,010 crore in FY21. During H1FY23, disbursements have improved to ₹6,222 crore, thus reaching pre-COVID-19 levels.

The share of heavy commercial vehicle (HCV) in outstanding loan portfolio continues to remain high at 24% as on

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March 31, 2022, as against 23% as on March 31, 2021, and share of the top three products (HCV, loan against property (LAP) and construction equipment (CE)) stood at 54% as on March 31, 2022, as against 49% as on March 31, 2021.

HLF has presence across 21 states and 3 union territories, and AUM of the company is well diversified. The share of top three states has improved on a y-o-y basis from 31% as on March 31, 2021 to 38% as on March 31, 2022. CARE expects the portfolio and geographical diversification to continue with an increase in share of HCV in total AUM as the parent ALL is likely to record good sales volume growth in FY23 on y-o-y basis. It is to be noted that ALL reported volume growth of 142.9% on a y-o-y basis in the MHCV segment (domestic) during H1FY23. The MHCV truck segment (domestic) volumes improved by 135.7% on a Y-o-Y basis during H1FY23. The MHCV bus segment (domestic) volumes improved by 280.1% on a Y-o-Y basis during H1FY23. The volumes in the LCV segment (domestic) also improved during H1FY23.

Key Rating Weaknesses

Moderate asset quality:

The gross stage III assets (on AUM basis) and net stage III asset (on AUM basis) moderated marginally from 4.04% and 2.00% as on March 31, 2021 to 4.2% and 2.8% as on March 31, 2022, respectively. However, gross stage III assets (on AUM basis) and net stage III asset improved to 3.9% and 2.7% respectively as on September 30, 2022. Gross repossessed assets witnessed reduction from ₹ 312.52 crore (1.2% of AUM) as on March 31, 2021 to ₹ 244.56 crore (0.94% of AUM). HLF has restructured portfolio amounting to ₹1,491 crore (6% of AUM) as on March 31, 2022 (₹ 1,481 crore (6% of AUM) as on September 30, 2022). 30+ days past due (DPD) (On AUM basis) has also witnessed moderation.

Gross stressed assets (GNPA+Restructured portfolio+Repossessed assets) stood at 10.83% as on March 31, 2022 as against 6.39% as on March 31, 2021. HLF also has outstanding ECLGS loans aggregating to ₹ 769 crore as on September 30, 2022 (2.9% as on September 30, 2022). The ability of the company to improve asset quality/contain slippages will be key monitorable.

Moderate profitability levels:

Impacted by the second wave of COVID-19-induced pandemic and lower disbursements in H1FY22, the yield on advances has moderated from 13.04% during FY21 to 12.57% during FY22. Thus, net interest margin (NIM) witnessed slight moderation to 5.12% during FY22 from 5.15% during FY21. Operating expenses increased to 1.43% in FY22 from 1.22% in FY21. Credit cost reduced to 3.28% in FY22 from 3.45% in FY21. With increase in operating expenses, ROTA moderated to 1.08% in FY22 from 1.27% in FY21. HLF reported PAT of ₹232 crore in FY22 (₹270 crore in FY21). However, with significant reduction in credit cost during H1FY23, ROTA improved to 1.18%.

During H1FY23, the company reported a PAT of ₹126 crore on a total income of ₹1,310 crore as against PAT of ₹135 crore on a total income of ₹1,327 crore in H1FY22. HLF reported ROTA of 1.18% in H1FY23 as against 1.25% in H1FY22. CARE Ratings expects, the improved capitalisation levels to support the growth envisaged by the company, which would further improve the profitability levels.

Industry outlook and prospects:

Aggregate AUM of CV financing NBFCs witnessed low growth in FY20 to FY22 following three successive years of high growth rate during FY17-FY19. Such moderation in AUM growth was due to a combination of a slowdown in new CV sales volume which in turn impacted by various factors including cyclicity associated with the CV sector, changes in emission norms, and COVID-19 induced economic slowdown. With the revival in economic activity supported by increased spending in infrastructure by the government, aggregate AUM growth of CV financing NBFCs is expected to be in double digits in FY23.

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Liquidity: Adequate

HLF's asset liability management (ALM) had no negative cumulative mismatch in any of the time buckets upto one year as on September 30, 2022, and repayment obligation (Principal alone) during H2FY23 stood at Rs. 3,156 crore. As on September 30, 2022, the company has free cash and cash equivalents of around Rs. 750 crore and unavailed lines of credit (including CC) of ₹3,736 crore.

During H1FY23, HLF has availed ₹4,175 crore through term loan, and ₹1,530 crore through DA. The ability of the company to mobilise funds from the banks at a competitive rate adds comfort.

Analytical approach: Standalone approach also factoring in linkages with parent.

HLF enjoys strong operational linkages with access to dealer network of Ashok Leyland Limited (ALL) and common brand name and logo. Apart from the demonstrated track record of equity infusion in the part, HLF also enjoys significant financial flexibility in terms of mobilising funds from various sources at competitive rates.

Applicable Criteria

Criteria on assigning 'Outlook' and 'Credit Watch' to Credit Ratings

CARE's Policy on Default Recognition

Financial Ratios-Financial Sector

CARE's Rating Methodology for Non-Banking Finance Companies (NBFCs)

Criteria for Short Term Instruments

Rating Methodology: Notching by Factoring Linkages in Ratings

Rating Methodology - Market linked Notes

Policy on Withdrawal of Ratings

About the Company

HLF is a non-deposit taking systemically important (ND-SI) NBFC based out of Chennai, Tamil Nadu, belonging to the Hinduja group. Established in 2008, HLF started its lending operations in FY11 subsequent to receipt of RBI license in March 2010. The company has been promoted by the group's flagship automobile manufacturing company, Ashok Leyland Ltd (ALL, rated 'CARE AA; Stable/ CARE A1+') including the aim of providing funding support to ALL vehicles. HLF's exposure to ALL vehicles stood around 35% of AUM as on March 31, 2022. HLF is also engaged in extending loans to three-wheelers, two-wheelers, small commercial vehicles (SCVs), light commercial vehicles (LCV), tractor, construction equipment, loan against property (LAP), used CV financing and is also engaged in portfolio buyout. As on September 30, 2022, the shareholding of the Hinduja group in HLF stands at 99.34% wherein ALL holds 68.79% stake. During October 2022, HLF mobilised ₹910 crore via QIB. The shareholding of the Hinduja group in HLF stands at 87% wherein ALL holds 60% stake post capital infusion.

During FY22, the company reported a PAT of ₹ 232 crore (PY: ₹ 270 crore) on a total income of ₹ 2,660 crore (PY: ₹ 2,775 crore).

Brief Financials (₹ Crore)	FY21 (A)	FY22 (A)	H1FY23(P)
Total Operating Income	2,775	2,660	1,310
PAT	270	232	126
Interest Coverage (Times)	1.2	1.2	1.3
Total Assets	21,922	20,961	21,696
Net NPA/stage III (%)	2.0	2.8	2.7
ROTA (%)	1.3	1.1	1.3

A - Audited; Prov. - Provisional

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Please refer Annexure-3

Complexity level of various instruments: Please refer Annexure-4

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Bank Lender Details: Please refer Annexure-5

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating assigned along with Rating Outlook
Fund-based-Long Term	-	-	-	April 2028	17,503.00	CARE AA; Stable
Fund-based-Short Term	-	-	-	-	200.00	CARE A1+
Debentures-Non-Convertible Debentures-XVII	INE146007417	-	-	-	-	Withdrawn
Debentures-Non-Convertible Debentures-XVIII	INE146007375	05-Jun-20	9.25%	02-Jun-23	200.00	CARE AA; Stable
Debentures-Non-Convertible Debentures-XIX	INE146007425	15-Dec-20	8.50%	15-Dec-23	200.00	CARE AA; Stable
Debentures-Non-Convertible Debentures-XX	INE146007441	14-May-21	7.95%	14-Feb-23	250.00	CARE AA; Stable
	INE146007466	02-Nov-21	7.80%	29-Dec-23	50.00	CARE AA; Stable
		29-Sep-21	7.80%	29-Dec-23	50.00	CARE AA; Stable
Proposed	-	-	-	100.00	CARE AA; Stable	
Debentures-Market Linked Debentures-I	INE146007433	30-Dec-20	G-Sec Linked	28-Jun-23	55.00	CARE PP-MLD AA; Stable
	INE146007458	25-May-21	G-Sec Linked	24-Nov-23	125.00	CARE PP-MLD AA; Stable
Debentures-Market Linked Debentures-II	Proposed	-	-	-	20.00	CARE PP-MLD AA; Stable
Debt-Subordinate Debt-II	INE146008092	-	-	-	-	Withdrawn
Debt-Subordinate Debt-III	INE146008100	28-Aug-17	9.40%	28-Aug-24	100.00	CARE AA; Stable
	INE146008118	13-Sep-17	9.20%	13-Sep-24	100.00	CARE AA; Stable
Debt-Subordinate Debt-IV	INE146008134	27-Mar-18	10.15%	27-Mar-25	100.00	CARE AA; Stable
	INE146008126	28-Mar-18	9.50%	28-Sep-23	50.00	CARE AA; Stable
	INE146008209	22-Apr-21	9.75%	21-Apr-28	50.00	CARE AA; Stable
Debt-Subordinate Debt-V	INE146008159	29-Mar-19	11.60%	29-Sep-24	100.00	CARE AA; Stable
	INE146008191	26-Mar-21	9.75%	25-Sep-26	75.00	CARE AA; Stable
Debt-Subordinate Debt-VI	INE146008175	30-Apr-21	9.75%	08-Oct-26	50.00	CARE AA; Stable
	INE146008217	19-Jul-21	9.70%	19-Jan-27	50.00	CARE AA; Stable
	Proposed	-	-	-	100.00	CARE AA; Stable
Debt-Subordinated debt - Market Linked Debenture	INE146008142	18-Sep-18	G-Sec Linked	17-Sep-24	150.00	CARE PP-MLD AA; Stable
Commercial Paper-Commercial Paper (Standalone)	-	-	-	7 days to 1 Year	1,800.00	CARE A1+

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based-Long Term	LT	17503.00	CARE AA; Stable	-	1)CARE AA-; Stable (25-Mar-22)	1)CARE AA-; Stable (02-Mar-21)	1)CARE AA-; Stable (01-Oct-19)

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Sr. No.	Name of the Instrument/Bank Facilities	Type	Current Ratings		Rating History			
			Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
						2)CARE AA-; Stable (29-Sep-21)	2)CARE AA-; Stable (30-Sep-20) 3)CARE AA-; Stable (03-Jul-20)	
2	Commercial Paper-Commercial Paper (Standalone)	ST	1800.00	CARE A1+	-	1)CARE A1+ (25-Mar-22) 2)CARE A1+ (29-Sep-21)	1)CARE A1+ (30-Sep-20)	1)CARE A1+ (01-Oct-19) 2)CARE A1+ (29-Aug-19)
3	Debt-Subordinate Debt	LT	-	-	-	1)Withdrawn (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)
4	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)
5	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (01-Oct-19)
6	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)
7	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)
8	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)
9	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (01-Oct-19)
10	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (01-Oct-19)
11	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (01-Oct-19)
12	Debt-Subordinate Debt	LT	-	-	-	1)CARE AA-; Stable (25-Mar-22) 2)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)
13	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)

For HINDUJA LEYLAND FINANCE LTD.

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Sr. No.	Name of the Instrument/Bank Facilities	Type	Current Ratings		Rating History			
			Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
14	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (01-Oct-19)
15	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (01-Oct-19)
16	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)
17	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)
18	Debt-Subordinate Debt	LT	200.00	CARE AA; Stable	-	1)CARE AA-; Stable (25-Mar-22) 2)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)
19	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)
20	Debt-Subordinate Debt	LT	200.00	CARE AA; Stable	-	1)CARE AA-; Stable (25-Mar-22) 2)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)
21	Debentures-Non Convertible Debentures	LT	50.00	CARE AA; Stable	-	1)CARE AA-; Stable (25-Mar-22) 2)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)
22	Debt-Subordinate Debt	LT	175.00	CARE AA; Stable	-	1)CARE AA-; Stable (25-Mar-22) 2)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)
23	Debentures-Non Convertible Debentures	LT	250.00	CARE AA; Stable	-	1)CARE AA-; Stable (25-Mar-22) 2)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)

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Sr. No.	Name of the Instrument/Bank Facilities	Type	Current Ratings		Date(s) and Rating(s) assigned in 2022-2023	Rating History		
			Amount Outstanding (₹ crore)	Rating		Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
24	Debt-Subordinated debt - Market Linked Debenture	LT	150.00	CARE PP-MLD AA; Stable	-	1)CARE PP-MLD AA-; Stable (25-Mar-22) 2)CARE PP-MLD AA-; Stable (29-Sep-21)	1)CARE PP-MLD AA-; Stable (30-Sep-20)	1)CARE PP-MLD AA-; Stable (01-Oct-19)
25	Debentures-Non Convertible Debentures	LT	250.00	CARE AA; Stable	-	1)CARE AA-; Stable (25-Mar-22) 2)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20) 2)CARE AA-; Stable (03-Jul-20)	-
26	Debentures-Market Linked Debentures	LT	100.00	CARE PP-MLD AA; Stable	-	1)CARE PP-MLD AA-; Stable (25-Mar-22) 2)CARE PP-MLD AA-; Stable (29-Sep-21)	1)CARE PP-MLD AA-; Stable (29-Dec-20)	-
27	Debentures-Non Convertible Debentures	LT	300.00	CARE AA; Stable	-	1)CARE AA-; Stable (25-Mar-22) 2)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (29-Dec-20)	-
28	Fund-based-Short Term	ST	200.00	CARE A1+	-	1)CARE A1+ (25-Mar-22) 2)CARE A1+ (29-Sep-21)	1)CARE A1+ (02-Mar-21)	-
29	Debt-Subordinate Debt	LT	200.00	CARE AA; Stable	-	1)CARE AA-; Stable (25-Mar-22) 2)CARE AA-; Stable (29-Sep-21) 3)CARE AA-; Stable (23-Apr-21)	-	-

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Sr. No.	Name of the Instrument/Bank Facilities	Type	Current Ratings		Rating History			
			Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
30	Debentures-Market Linked Debentures	LT	100.00	CARE PP-MLD AA; Stable	-	1)CARE PP-MLD AA-; Stable (25-Mar-22) 2)CARE PP-MLD AA-; Stable (29-Sep-21) 3)CARE PP-MLD AA-; Stable (24-May-21)	-	-

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities

	Detailed explanation
A. Financial covenants	
i. The capital adequacy ratio shall be maintained at a minimum of the levels stipulated by the RBI at all points in time (currently 15.0%)	-
ii. Net NPA (PAR 90 less provisions) on a standalone basis shall not exceed 6% of the Assets under Management of the Issuer.	-
B. Non-financial covenants	
i. Hinduja Group to maintain atleast 51% stake in the company on fully diluted basis till maturity	-
ii. The rating of the Issuer should not be downgraded below 'A-' by any rating agency	-

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Market Linked Debentures	Complex
3	Debentures-Non Convertible Debentures	Simple
4	Debt-Subordinate Debt	Simple
5	Debt-Subordinated debt - Market Linked Debenture	Complex
6	Fund-based-Long Term	Simple
7	Fund-based-Short Term	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

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Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

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No. CARE/CRO/RL/2022-23/1387

Shri Vikas Jain
Chief Financial Officer
Hinduja Leyland Finance Limited
27 A, Developed Industrial Estate,
Guindy, Chennai
Tamil Nadu-600032

January 23, 2023

Confidential

Dear Sir,

Credit rating for proposed Principal Protected Market Linked Debenture issue

Please refer to your request for rating of proposed Principal Protected Market Linked Debenture issue aggregating to Rs. 150 crore of your company. The proposed Principal Protected Market Linked Debenture issue would have tenure of upto 7 years.

2. The following ratings have been assigned by our Rating Committee:

Sr. No.	Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
1.	Principal Protected Market Linked Debentures-III(Proposed)	150.00	CARE PP-MLD AA; Stable (Principal Protected-Market Linked Debentures Double A; Outlook: Stable)	Assigned
	Total Instruments	150.00 (Rs. One Hundred Fifty Crore Only)		

- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is January 23, 2023).
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
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¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

CARE Ratings Limited

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CIN: L27100MH2005PLC000001

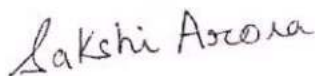
For HINDUJA LEYLAND FINANCE LTD.


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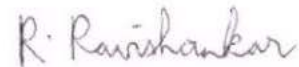
6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
7. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which will be shared along with the same.
8. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
10. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
11. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
12. Our ratings are **not** recommendations to buy, sell or hold any securities.
13. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE Ratings Ltd.

Thanking you,

Yours faithfully,



Sakshi Arora
Lead Analyst
sakshi.arora@careedge.in



Ravi Shankar R
Assistant Director
ravi.s@careedge.in

Encl.: As above

CARE Ratings Limited

Unit No. O-509/C, Spencer Plaza, 5th Floor
No. 769, Anna Salai, Chennai – 600 002.
Tel: +91 -44-2849 0811 / 13/ 76

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For HINDUJA LEYLAND FINANCE LTD.



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Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

For HINDUJA LEYLAND FINANCE LTD.


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Somaiya Hospital Road, Off Eastern Express
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Phone: +91-22-6754 3456
Email: care@careedge.in • www.careedge.in

REGISTRATION NO: 19953P/KC/1/001

No.34343-A/ITSL/OPR/CL/22-23/DEB/1079

Date: January 24, 2023

HINDUJA LEYLAND FINANCE LIMITED

No. 27 A Developed Industrial Estate,
Guindy,
Chennai - 600032

Kind Attn: Mr. Rajesh Dhuri

Dear Sir,

Subject: CONSENT TO ACT AS DEBENTURE TRUSTEE FOR THE RATED, LISTED, SECURED, SENIOR, REDEEMABLE, TAXABLE, PRINCIPAL PROTECTED NON-CONVERTIBLE MARKET LINKED DEBENTURES AGGREGATING UP TO RS.50,00,00,000 (INDIAN RUPEES FIFTY CRORES ONLY) ON A PRIVATE PLACEMENT BASIS (THE "ISSUE") WITH A GREEN SHOE OPTION OF 10,000 MARKET LINKED DEBENTURES FOR AN AMOUNT UPTO RS. 100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORES ONLY) PROPOSED TO BE ISSUED BY HINDUJA LEYLAND FINANCE LIMITED (THE COMPANY/ISSUER).

This is with reference to your email dated January 19, 2023 and subsequent telecom we had regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustee for the proposed listed, and Secured MLDs issue aggregating up to Rs. 150 Crores. In this connection, we indicate our trusteeship remuneration for the said assignment as follows:

Charge Heads	Terms
Acceptance Fees	Rs.4,00,000/- plus applicable taxes (One-time payment and payable upfront, non- refundable)
Service Charges	NIL
Delayed Payment charges	In case the payment of service charges is not received within a period of 30 days from the date of the bill, ITSL reserves the right to charge 'delayed payment charges' @ 12% p.a. on the outstanding amount.
Out of Pocket Expenses & Statutory Dues	Would be reimbursable on actual basis within 30 days of the claim.
Validity:	This consent is valid for a period of 6 months from the date of this letter and in the event of the issue not being placed or in the event of any increase in the size of the issue or any structural change, a fresh letter of revalidation from the Trustees will be necessary and earlier consent letter would stand ipso facto/automatically withdrawn/revoked without any further communication/reference to you.
Any enforcement consequent to the event of default (EOD) would attract separate charges	

Assure you of our best services at all times.

Yours faithfully,

For IDBI Trusteeship Services Limited

GAURAV Digitally signed
by GAURAV
BHARATKU BHARATKUMAR
MAR MODY MODY

(Authorized Signatory)

We accept the above terms
for Hinduja Leyland Finance Limited
For HINDUJA LEYLAND FINANCE LTD.


AUTHORISED SIGNATORY

(Authorized Signatory)

No.34343-B/ITSL/OPR/CL/22-23/DEB/1079**Date: January 24, 2023****HINDUJA LEYLAND FINANCE LIMITED**No. 27 A Developed Industrial Estate,
Guindy,
Chennai - 600032**Kind Attn: Mr. Rajesh Dhuri****Dear Sir,**

Subject: DEBENTURE TRUSTEE FOR THE RATED, LISTED, SECURED, SENIOR, REDEEMABLE, TAXABLE, PRINCIPAL PROTECTED NON-CONVERTIBLE MARKET LINKED DEBENTURES AGGREGATING UP TO RS.50,00,00,000 (INDIAN RUPEES FIFTY CRORES ONLY) ON A PRIVATE PLACEMENT BASIS (THE "ISSUE") WITH A GREEN SHOE OPTION OF 10,000 MARKET LINKED DEBENTURES FOR AN AMOUNT UPTO RS. 100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORES ONLY) PROPOSED TO BE ISSUED BY HINDUJA LEYLAND FINANCE LIMITED (THE COMPANY/ISSUER).

This has reference to our discussion regarding the appointment of IDBI Trusteeship Services Limited (ITSL) as Debenture Trustee for the issue of MLDs aggregating upto Rs. 50 crores with green shoe of Rs. 100 crores. In this connection, we confirm our acceptance of the assignment.

We are agreeable for inclusion of our name as Debenture Trustee in the Disclosure document/ listing application/ any other document to be filed with the Stock Exchange(s) subject to the following conditions.

1. The Company shall enter into Written Debenture Trustee Agreement (DTA) for the said issue before the opening of Subscription list for issue of debentures.
2. The Company agrees and undertakes to create the securities over such of its immovable and moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute, the Debenture Trust Deed (DTD) and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed by us in the Information Memorandum or Disclosure Document.
3. The Company agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
4. The Company hereby agrees and undertakes to comply with the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, SEBI Circular on Uniform Listing Agreement dated October 13th, 2015; SEBI (Debenture Trustees) Regulations, 1993, SEBI Circular bearing ref. no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/230 dated 12th November, 2020 and SEBI Circular bearing ref. no. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022, Companies Act, 2013, as may be amended from time to time and such other applicable provisions as may be applicable from time to time and the Company agree to furnish to Debenture Trustee such information as may be required by Trustee on regular basis.
5. Any payment in respect of Debentures required to be made by the Debenture Trustee to a Debenture Holder (who is a FII Entity) at the time of enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorised Dealer. The Company/Investor shall obtain all such approvals, if required, to ensure prompt and timely payments to the said Debenture Holder. Such remittance shall not exceed total investment (and interest provided for herein) made by the Debenture Holder (who is a FII)
6. The Issuer Company confirms that all necessary disclosures have been made in the Information Memorandum/Disclosure document including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Information Memorandum/Disclosure document. Each prospective investor should make its own independent assessment of the merit of the investment in MLDs and the Issuer Company. Prospective Investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and

should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Looking forward to a fruitful association with you and assuring you of our best services at all times.

Yours faithfully,

we accept the above terms

For IDBI Trusteeship Services Limited

GAURAV Digitally
signed by
BHARATKU GAURAV
MAR MODY BHARATKUMA
R MODY

(Authorized Signatory)

for Hinduja Leyland Finance Limited
for HINDUJA LEYLAND FINANCE LTD.


AUTHORISED SIGNATORY

(Authorized Signatory)



HINDUJA LEYLAND FINANCE

To BSE Ltd / Investors	Purpose: Issue of NCDs	Mode of Issue: Physical / Email
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CERTIFIED COPY OF THE RESOLUTION PASSED AT THE BOARD OF DIRECTORS MEETING OF THE COMPANY HELD ON 19th SEPTEMBER, 2022

Approval to issue of non-convertible debentures

“**RESOLVED THAT** in *supersession* of the earlier resolution passed by the Board of Directors on 17th May, 2022 and pursuant to the provisions of Sections 42, 71 and other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), SEBI (Issue and Listing of Debt Securities) Regulation 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the provisions of the Articles of Association of the Company and subject to the approval of the members in the ensuing general meeting, the consent of the Board of Directors be and is hereby accorded to create / offer / issue / invite subscriptions for secured / unsecured redeemable non-convertible debentures, in one or more series / tranches, aggregating up to Rs 8,000 Crores (Eight Thousand Crores only) on a private placement basis during a period of one year from the conclusion of ensuing General Meeting, on such terms and conditions as the Board of Directors of the Company may (including any committee constituted by the Board for the time being thereof) from time to time, determine and consider proper and most beneficial to the Company including as to when the said debentures be issued, the consideration for the issue, utilization of the issue proceeds, redemption of the same and all other matters connected with or incidental thereto.

RESOLVED FURTHER THAT Mr. S Nagarajan, Executive Vice Chairman, Mr. Sachin Pillai, Chief Executive Officer & Managing Director and Mr. Vikas Jain, Chief Financial Officer be and are hereby severally authorised to decide on rate of interest, tenure, structure of the debenture or any other terms and conditions including any modification(s) relating thereto.

HINDUJA LEYLAND FINANCE LIMITED

Corporate Office : No. 27A, Developed Industrial Estate, Guindy, Chennai - 600 032. Tel : (044) 22427525, 22427555

Registered Office : Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai - 400018. Maharashtra

Tel : 91-22-6136-0407; 91-22-2496-0707

Website : www.hindujaleylandfinance.com

CIN : U65993MH2008PLC384221 • Email : compliance@hindujaleylandfinance.com

FOR HINDUJA LEYLAND FINANCE LTD.


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HINDUJA LEYLAND FINANCE

RESOLVED FURTHER THAT Mr. S Nagarajan, Executive Vice Chairman, Mr. Sachin Pillai, Chief Executive Officer & Managing Director and Mr. Vikas Jain, Chief Financial Officer be and are hereby severally authorised to appoint Debenture trustees, merchant bankers, legal counsel and such other intermediaries as may be required and to negotiate with the intermediaries and fix such remuneration and finalize the terms of their appointment, as may be deemed fit.

RESOLVED FURTHER THAT Internal Committee consisting of Mr. S Nagarajan, Executive Vice Chairman, Mr. Sachin Pillai, Chief Executive Officer & Managing Director and Mr. Vikas Jain, Chief Financial Officer (any two jointly) be and are hereby authorised to issue / allot securities issued by the Company, both present and future and to do all such other acts, deeds, matters and things as the Committee as may deem fit in this connection."

//Certified Copy//

For Hinduja Leyland Finance Limited

B Shanmugasundaram
Company Secretary

FOR HINDUJA LEYLAND FINANCE LTD.

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HINDUJA LEYLAND FINANCE

To BSE Ltd / Investors	Purpose: Issue of NCDs	Mode of Issue: Physical / Email
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CERTIFIED COPY OF THE SPECIAL RESOLUTION PASSED BY THE SHAREHOLDERS AT THE EXTRA-ORDINARY GENERAL MEETING HELD ON JUNE 27, 2022

Approval of Issue of Non-Convertible Debentures

RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or reenactment thereof, for the time being in force), SEBI (Issue and Listing of Non-Convertible Securities) Regulation 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in terms of the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent of the members of the Company be and is hereby accorded to offer, issue and allot secured / unsecured redeemable non-convertible debentures, in one or more series / tranches, secured and unsecured non-convertible debentures on private placement basis during a period of one year from the date of this Extra-ordinary General Meeting for an amount not exceeding Rs.8,000 Crores (Rupees Eight Thousand Crores only) within the overall borrowing limits of the Company, as approved by the members, on such terms and conditions and at such times at par or at such premium as may be decided by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), from time to time, to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension / provident funds and individuals, as the case may be or such other person / persons as the Board may determine and consider proper and most beneficial to the company including rate of interest, tenure and security cover thereof, the consideration for the issue, utilization of the issue proceeds, redemption of the same and all other matters connected with or incidental thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and give such directions and execute such documents, deeds, instruments and take such steps as may be

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For HINDUJA LEYLAND FINANCE LTD.


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HINDUJA LEYLAND FINANCE

necessary, proper or expedient to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated to give effect to this resolution be and are hereby approved, ratified and confirmed in all respects.

//Certified true copy//

For Hinduja Leyland Finance Limited

B Shanmugasundaram
Company Secretary

For HINDUJA LEYLAND FINANCE LTD.

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KEY PERFORMANCE INDICATOR BSE FORMAT
Standalone

Balance Sheet	Sep-22	2021-22	2020-21	2019-20
Net Fixed assets	85	82	85	51
Current assets	8,549	7,951	7,605	9,355
Non-current assets	13,063	12,928	14,232	11,354
Total assets	21,697	20,961	21,923	20,761
Debt Securities	624	879	683	267
Borrowings (other than debt securities)	9,106	8,009	8,561	9,525
Deposits	2	2	2	2
Subordinated liabilities	992	1,041	1,140	1,110
Other financial liabilities	109	96	42	56
Provisions	2	3	4	3
Deferred tax liabilities (net)	133	176	217	77
Other non-financial liabilities	-	-	-	-
Total Non-Current Liabilities	10,967	10,205	10,649	11,039
Debt Securities	505	450	635	616
Borrowings (other than debt securities)	5,835	5,749	6,172	5,263
Deposits	-	-	-	-
Subordinated liabilities	50	180	211	206
Other financial liabilities	476	485	407	366
Provisions	-	-	-	-
Deferred tax liabilities (net)	-	-	-	-
Other non-financial liabilities	4	10	6	4
Other payables	36	31	17	20
Total Current Liabilities	6,905	6,905	7,449	6,475
Equity (equity and other equity)	3,824	3,852	3,825	3,246
Total equity and liabilities	21,697	3,852	21,923	20,761

Profit and Loss	Sep-22	2021-22	2020-21	2019-20
From operations	1,309	2,645	2,753	2,919
Other income	1	16	22	8
Total revenue	1,310	2,660	2,775	2,927
Total Expenses	1,142	2,348	2,423	2,488
Profit / loss before tax	168	313	352	439
Profit / loss after tax	126	232	270	292
Other comprehensive income	-153	-208	305	230
Total comprehensive income	-27	24	575	522
Earnings per equity share (face value Rs. 10 each)				
Basic (in Rs)	2.68	4.94	5.75	6.22
Diluted (in Rs)	2.67	4.94	5.75	6.21

Cash Flow	Sep-22	2022-23	2020-21	2019-20
Net cash generated from operating activities	-740	982	-526	251
Net cash used in / generated from investing activities	-257	-49	121	455
Net cash used in financing activities	526	-944	385	-119

FOR HINDUCA LETLAND FINANCE LTD.



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Cash and cash equivalents	798	808	808	829
Balance as per statement of cash flows	583	798	808	829

Additional information	Sep-22	2022-23	2020-21	2019-20
Net worth	3,824	3,852	3,825	3,246
Cash and Cash Equivalents	583	798	808	829
Current Investments	489.00	257.00	105	177
Assets Under Management	26502	26021	27,294	26,451
Off Balance Sheet Assets	4820	4904	5,054	5,386
Total Debts to Total assets	81%	79%	82%	79%
Debt Service Coverage Ratios	1.27	1.25	1.26	1.29
Interest Income	1309	2645	2753	2919
Interest Expense	656	1337	1427	1554
Interest service coverage ratio	1.27	1.25	1.26	1.29
Provisioning & Write-offs	308	704	736	617
Gross NPA (%)	3.85%	4.17%	4.04%	4.44%
Net NPA (%)	2.71%	2.85%	2.00%	2.64%
Tier I Capital Adequacy Ratio (%)	15.36%	15.93%	15.30%	14.44%
Tier II Capital Adequacy Ratio (%)	2.25%	2.78%	2.68%	2.81%

FOR HINDUJA LEYLAND FINANCE LTD.


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Key Performance Indicators - Consolidated

Hinduja Leyland Finance Limited
Consolidated
in Rs crores.

Balance Sheet	Sep-22	2021-22	2020-21	2019-20
Net Fixed assets	90	84	87	53
Current assets	9,585	8,611	7,841	9,076
Non-current assets	16,716	15,782	16,312	13,136
Total assets	26,391	24,476	24,240	22,265
Debt Securities	624	879	683	267
Borrowings (other than debt securities)	9,931	10,673	10,137	10,619
Deposits	-	-	-	-
Subordinated liabilities	992	1,041	1,140	1,110
Other financial liabilities	96	96	42	56
Provisions	4	3	5	1
Deferred tax liabilities (net)	133	171	214	74
Other non-financial liabilities	-	-	-	-
Total Non-Current Liabilities	11,780	12,863	12,221	12,126
Debt Securities	505	450	635	616
Borrowings (other than debt securities)	9,340	6,334	6,761	5,591
Deposits	-	-	-	-
Subordinated liabilities	50	180	211	206
Other financial liabilities	505	501	416	371
Provisions	-	-	-	3
Deferred tax liabilities (net)	-	-	-	-
Other non-financial liabilities	6	12	8	5
Other payables	39	34	20	21
Total Current Liabilities	10,445	7,510	8,052	6,813
Equity (equity and other equity)	4,165	4,227	3,967	3,325
Total equity and liabilities	26,391	24,601	24,240	22,265

Profit and Loss	Sep-22	2021-22	2020-21	2019-20
From operations	1,608	3,072	3,013	3,110
Other income	20	26	41	26
Total revenue	1,629	3,098	3,053	3,136
Total Expenses	1,350	2,650	2,621	2,656
Profit / loss before tax	279	448	433	481
Profit / loss after tax	215	341	333	327
Other comprehensive income	-152	-207	305	230
Total comprehensive income	62	134	639	557
Earnings per equity share (face value `10 each)				
Basic	4.57	7.26	7.10	6.97
Diluted	4.57	7.25	7.09	6.96

Cash Flow	Sep-22	2021-22	2020-21	2019-20
Net cash generated from operating activities	-1,805	-190	-1,321	-26
Net cash used in / generated from investing activities	-226	42	170	499
Net cash used in financing activities	1,865	140	1,127	116
Cash and cash equivalents	811	819	819	843
Balance as per statement of cash flows	644	811	819	843

Additional information	Sep-22	2021-22	2020-21	2019-20
Net worth	4,165	4,103	3,967	3,325
Cash and Cash Equivalents	644	811	819	843
Current Investments	497	270	119	183
Assets Under Management	31,741	30,048	29,879	28,119
Off Balance Sheet Assets	5,269	5,189	5,137	5,386
Total Debts to Total assets	81%	80%	81%	83%
Debt Service Coverage Ratios	1.36	1.30	1.29	1.30
Interest Income	1,608	3,072	3,013	3,110
Interest Expense	798	1,534	1,566	1,665
Interest service coverage ratio	1.36	1.30	1.29	1.30
Provisioning & Write-offs	332	747	753	630
Gross NPA (%)	3.85%	4.17%	3.90%	4.31%
Net NPA (%)	2.71%	2.85%	2.00%	2.60%

FOR HINDUJA LEYLAND FINANCE LTD.


 AUTHORIZED SIGNATORY

Abridged Version of Financial

HINDUJA LEYLAND FINANCE LIMITED				
STANDALONE BALANCE SHEET				
Particular	As on Sep2022	2021-22	2020-2021	2019-2020
				(Rs in lacs)
ASSETS				
Financial Assets				
Cash and cash equivalents	58,281	79,779	80,838	82,879
Bank balance other than cash and cash equivalents	3,952	3,872	5,585	14,610
Loans	18,63,854	18,06,315	19,25,150	18,24,156
Investments	1,71,336	1,45,263	98,707	77,684
Other financial assets	40,940	34,417	59,436	58,880
	21,38,363	20,69,646	21,69,716	20,58,209
Non-Financial Assets				
Current tax assets (net)	11,371	9,182	5,639	7,130
Deferred tax assets (net)				
Property, plant and equipment	8,133	8,107	8,429	4,969
Capital work-in-progress	285	44	38	116
Other intangible assets	65	68	72	59
Right of use assets	4,187	3,594	2,632	2,650
Other non-financial assets	7,291	5,486	5,736	2,929
	31,332	26,481	22,546	17,853
TOTAL ASSETS	21,69,695	20,96,127	21,92,262	20,76,062
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade payables				
(i) dues of micro enterprises and small enterprises		-	-	-
(ii) dues other than micro enterprises and small enterprises	3,559	3,128	1,722	1,957
Debt securities	1,12,880	1,32,816	1,31,803	88,300
Borrowings (other than debt securities)	14,94,076	13,75,767	14,73,354	14,78,793
Deposits	162	162	162	162
Subordinated liabilities	1,04,226	1,22,141	1,35,163	1,31,588
Other financial liabilities	58,460	58,087	44,889	42,171
	17,73,363	16,92,101	17,87,093	17,42,971
Non-Financial Liabilities				
Provisions	217	264	386	291
Deferred tax liabilities (net)	13,265	17,588	21,705	7,722
Other non-financial liabilities	401	1,010	557	443
	13,883	18,862	22,648	8,456
EQUITY				
Equity share capital	46,990	46,989	46,978	46,975
Other equity	3,35,459	3,38,175	3,35,543	2,77,660
	3,82,449	3,85,164	3,82,521	3,24,635
TOTAL LIABILITIES	21,69,695	20,96,127	21,92,262	20,76,062

For HINDUJA LEYLAND FINANCE LTD.


 AUTHORIZED SIGNATORY

Abridged Version of Financial

HINDUJA LEYLAND FINANCE LIMITED				
STANDALONE STATEMENT OF PROFIT AND LOSS				
Standalone Financials				(Rs in lacs)
PROFIT AND LOSS ACCOUNT	As on Sep2022	2021-22	2020-21	2019-20
Revenue				
Revenue from operations	1,31,013	2,66,046	2,77,482	2,92,748
Total revenue	1,31,013	2,66,046	2,77,482	2,92,748
Expenses				
Employee benefit expense	7,424	14,353	13,977	13,083
Finance cost	65,631	1,33,699	1,42,693	1,55,397
Depreciation and amortisation expense	802	1,588	1,859	1,052
Provisions and write off	30,800	70,425	73,609	61,687
Other expenses	9,577	14,697	10,189	17,626
Total expenses	1,14,234	2,34,762	2,42,327	2,48,845
Profit before tax	16,779	31,284	35,155	43,903
Tax expense:				
- Current tax				
'- for the current year	3,389	5,197	10,868	11,157
'- relating to earlier years				
- Deferred tax				
'- for the current year	820	2,872	-2,103	3,548
'- relating to earlier years	-	-	-623	
Profit after tax	12,570	23,215	27,013	29,198

For HINDUJA LEYLAND FINANCE LTD.


 AUTHORIZED SIGNATORY

**HINDUJA LEYLAND FINANCE LIMITED
STANDALONE CASHFLOW STATEMENT**

Abridged Version of Financial

(Rs in lakhs)

CASH FLOW STATEMENT	As on Sep2022	2021-22	2020-21	2019-20
A. Cash flow from operating activities				
Net profit before tax	16,779	31,284	35,155	43,903
Adjustments for:				
Depreciation and amortisation	802	1,588	1,859	1,052
Profit on disposal of property, plant and equipment(PPE)	-12	-74	-40	-
Provision for employee benefit	-	-	-	-2
Net loss/(gain) on fair value changes/disposal of investment	-820	805	-3,542	-
Finance costs	65,631	1,33,699	1,42,693	-
Interest income	-1,17,234	-2,41,109	-2,51,477	-
Provision on impairment on financial instruments and Bad debts written off	29,920	66,735	70,618	55,411
Impairment loss on other receivables	880	3,690	2,991	2,151
Stock compensation expenses				
Fixed Assets write off				
Discount on commercial papers	-	-	-	7,788
Share based payment expenses	-	159	336	
Amortisation of ancillary cost related to borrowings	-	-	-	2,167
Provision for compensated absence and gratuity				
Operating cash flow before working capital changes	-4,054	-3,223	-1,407	1,12,470
Adjustments for:				
(Increase) / decrease in asset on finance (inclcd repossessed assets)	-1,07,926	52,272	-1,30,794	-1,10,955
(Increase) / decrease in other non financial assets	-1,805	250	-2,807	35,895
(Increase) / decrease in other financial assets	-7,004	-47,437	-16,617	-
Increase / (decrease) in Trade Payable	431	1,406	-235	-
Increase / (decrease) in financial liabilities	-1,538	-5,259	-2,854	-
Increase / (decrease) in Non financial liabilities	-620	401	176	-1,249
Cash (used in) / from operations	-1,22,516	-1,590	-1,54,538	36,161
Taxes paid (net)	-5,578	-7,859	-2,931	-11,073
Finance cost	-62,719	-1,32,001	-1,44,614	-
Interest income	1,16,754	2,39,697	2,49,443	-
Net cash (used in) operating activities (A)	-74,059	98,247	-52,640	25,088
B. Cash flow from investing activities				
Investment in pass through securities	-20,732	3,340	7,678	22,653
Investment in Funds				
Investment in redeemable non convertible debentures	-1,926	-2,288	368	33,533
Investment in equity shares of subsidiary Company	-2,595	-7,754	-2,500	-4,000
Bank deposits (having maturity of more than three months)	-80	1,713	9,025	-2,770
Purchase of fixed assets (tangible and intangible fixed assets) including capital work in progress and capital advances	-427	-110	-3,986	-3,915
Interest on fixed deposits	80	224	1,516	-
Net cash (used in) investing activities (B)	-25,680	-4,875	12,101	45,501
C. Cash flow from financing activities				
Proceeds from issue of equity shares including securities premium (net)	3	48	15	44

For HINDUJA LEYLAND FINANCE LTD.


AUTHORISED SIGNATORY

Proceeds from issue of compulsorily convertible cumulative participative preference shares				
Proceeds from borrowings	4,11,854	5,91,809	6,16,408	4,79,800
Repayments of borrowings	-3,16,973	-6,76,226	-6,14,697	-4,93,957
Proceeds from working capital loan/ cash credit (net)	-15,906	-8,645	37,790	2,176
Payments of Lease liability	-737	-1,417	-1,018	-
Net cash from financing activities (C)	78,241	-94,431	38,498	-11,937
Net increase / (decrease) in cash and cash equivalents (A+B+C)	-21,499	-1,059	-2,041	58,652
Cash and cash equivalents at the beginning of the year	79,779	80,838	82,879	24,227
Cash and cash equivalents at the end of the year	58,281	79,779	80,838	82,879

FOR HINDUJA LEYLAND FINANCE LTD.


AUTHORISED SIGNATORY

Abridged Version of Financial

Annexure VI				
HINDUJA LEYLAND FINANCE LIMITED				
CONSOLIDATED BALANCE SHEET				
				(Rs in lacs)
Particular	As on Sep2022	2021-22	2020-2021	2019-2020
ASSETS				
Financial Assets				
Cash and cash equivalents	64,432	81,070	81,871	84,269
Bank balance other than cash and cash equivalents	4,136	3,959	5,585	14,610
Receivables				
(i) Trade receivables				
(ii) Other receivables	754	-	-	-
Loans	23,47,424	21,76,754	21,69,911	19,86,331
Investments	1,41,637	1,19,131	81,951	63,340
Other financial assets	46,812	39,428	61,650	59,356
	26,05,195	24,20,342	24,00,968	22,07,906
Non-Financial Assets				
Current tax assets (net)	11,834	9,426	5,952	7,604
Deferred tax assets (net)	1,109	-	-	-
Property, plant and equipment	8,583	8,356	8,564	5,156
Capital work-in-progress	285	44	38	116
Other intangible assets	146	69	74	63
Rights of use assets	4,243	3,594	2,632	2,650
Other non-financial assets	7,655	5,775	5,780	2,971
	33,855	27,264	23,040	18,560
TOTAL ASSETS	26,39,050	24,47,606	24,24,008	22,26,466
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade payables				
(i) dues of micro enterprises and small enterprises				
(ii) dues other than micro enterprises and small enterprise	3,873	3,408	1,987	2,139
Debt securities	1,12,880	1,32,816	1,31,803	88,300
Borrowings (other than debt securities)	19,27,194	17,00,657	16,89,769	16,21,014
Subordinated liabilities	1,04,226	1,22,141	1,35,163	1,31,588
Other financial liabilities	60,163	59,673	45,820	42,625
	22,08,336	20,18,695	20,04,542	18,85,666
Non-Financial Liabilities				
Provisions	364	377	540	402
Deferred tax liabilities (net)	13,265	17,080	21,430	7,359
Other non-financial liabilities	560	1,166	780	546
	14,189	18,623	22,750	8,307
EQUITY				
Equity share capital	46,990	46,989	46,978	46,975
Other equity	3,69,535	3,63,299	3,49,738	2,85,518
	4,16,525	4,10,288	3,96,716	3,32,493
	26,39,050	24,47,606	24,24,008	22,26,466

For HINDUJA LEYLAND FINANCE LTD.


 AUTHORIZED SIGNATORY

Abridged Version of Financial

HINDUJA LEYLAND FINANCE LIMITED				
CONSOLIDATED STATEMENT OF PROFIT AND LOSS				
				(Rs in lacs)
Particular	As on Sep 22	2021-22	2020-2021	2019-2020
Revenue from operations				
Interest income	1,44,993	2,77,956	2,73,806	2,86,810
Fees and commission income	3,050	5,583	3,832	5,391
Net gain on derecognition of financial instruments	820	-805	3,542	18,751
Fair value gain on investments	11,962	24,436	20,081	
Income from other services	2,049	2,625	4,069	2,689
Total revenue from operations	1,62,874	3,09,795	3,05,330	3,13,641
Expenses				
Finance costs	79,580	1,53,411	1,56,551	1,66,545
Fees and commission expense	3,228	5,961	3,778	8,722
Impairment on financial instruments	33,206	74,743	75,287	63,035
Employee benefits expenses	10,376	18,555	16,838	15,978
Depreciation, amortization and impairment	876	1,706	1,964	1,162
Others expenses	7,700	10,655	7,688	10,181
Total expenses	1,34,966	2,65,031	2,62,106	2,65,623
Profit before share of profit of equity accounted investee and income tax	27,908	44,764	43,224	48,018
Share of profit of equity accounted investee (net of income tax)	-162	118	90	65
Profit before tax	27,746	44,882	43,314	48,083
Tax expense:				
Current Tax	6,061	8,092	12,617	12,235
Deferred tax charge/(credit)	214	2,701	-2,641	3,126
	6,275	10,793	9,976	15,361
Profit for the year	21,471	34,089	33,338	32,722

For HINDUJA LEYLAND FINANCE LTD.


 AUTHORISED SIGNATORY

Abridged Version of Financial

HINDUJA LEYLAND FINANCE LIMITED
CONSOLIDATED CASHFLOW STATEMENT

(Rs in lakhs)

CASH FLOW STATEMENT	As on Sep 22	2021-22	2020-21	2019-20
A. Cash flow from operating activities				
Net profit before tax	27,746	44,882	43,314	48,083
Adjustments for:				
Depreciation and amortisation	876	1,706	1,964	1,162
Profit on sale of property, plant and equipment	-12	-74	-40	-
Provision for employee benefit	-	-	-	150
Net loss/(gain) on fair value changes/disposal of investment	-820	805	-3,542	-
Finance costs	79,580	1,53,411	1,56,551	
Finance costs	-1,45,073	-2,80,581	-2,77,875	-
Provision on impairment on financial instruments and Bad debts written off	32,326	71,053	72,296	60,883
Impairment loss on other receivables	880	3,690	2,991	2,151
Stock compensation expenses	-	-	-	-
Fixed Assets write off	-	-	-	-
Discount on commercial papers	-	-	-	7,788
Share based payment expenses	-	159	336	-
Amortisation of ancillary cost related to borrowings	-	-	-	2,168
Provision for compensated absence and gratuity	-	-	-	-
Operating cash flow before working capital changes	-4,497	-4,949	-4,005	1,22,384
Adjustments for:				
(Increase) / decrease in asset on finance (incl repossessed assets)	-	-	-	-1,48,031
(Increase) / decrease in other receivables	-754	-	-	-
(Increase) / decrease in Loans	-2,23,463	-77,724	-2,14,938	-
(Increase) / decrease in other financial assets	-7,864	-50,234	-25,656	36,476
(Increase) / decrease in other Non financial assets	-1,880	5	-2,809	-
Increase / (decrease) in Trade Payables	465	1,421	-152	-
Increase / (decrease) in financial liabilities	-257	-3,839	2,136	-1,068
Increase / (decrease) in financial non liabilities & Provision	-1,755	-3,850	-3,983	-
Cash (used in) / from operations	-2,40,005	-1,39,170	-2,49,407	9,761
Taxes paid (net)	-8,469	-10,756	-4,519	-12,377
Finance costs	-76,667	-1,48,260	-1,52,156	-
Interest received	1,44,592	2,79,169	2,73,986	
Net cash (used in) operating activities (A)	-1,80,549	-19,017	-1,32,096	-2,616
B. Cash flow from investing activities				
Investment in pass through securities	-19,886	4,701	5,204	23,559
Interest on fixed deposits	82	224	3,371	
Investment in redeemable non convertible debentures	-1,800	-2,037	616	33,126
Bank deposits (having maturity of more than three months)	-117	1,626	9,025	-2,770
Purchase of fixed assets (tangible and intangible fixed assets) including capital work in progress and capital advances	-816	-342	-1,210	-4,007
Net cash (used in) investing activities (B)	-22,537	4,172	17,006	49,908
C. Cash flow from financing activities				

For HINDUJA LEYLAND FINANCE LTD.


 AUTHORIZED SIGNATORY

Proceeds from issue of equity shares including securities premium (net)	3	48	15	44
Proceeds from borrowings	5,06,940	7,46,695	7,34,577	6,39,678
Repayments of borrowings	-3,16,973	-7,19,792	-6,42,786	-5,15,234
Proceeds from working capital loan/ cash credit (net)	-2,764	-11,492	21,904	-1,12,865
Payments of Lease liability	-737	-1,416	-1,018	-
Net cash from financing activities (C)	1,86,469	14,043	1,12,692	11,623
Net increase / (decrease) in cash and cash equivalents (A+B+C)	-16,638	-801	-2,398	58,915
Cash and cash equivalents at the beginning of the year	81,070	81,871	84,269	25,354
Cash and cash equivalents at the end of the year	64,432	81,070	81,871	84,269

FOR HINDUJA LEYLAND FINANCE LTD.


AUTHORISED SIGNATORY



1st November, 2022
Through BSE listing centre

Department of Corporate Services

BSE Limited
Phiroze Jeejeeboy Towers
1st Floor, Dalal Street,
Mumbai – 400001

Dear Sir/Madam,

Sub: Intimation under Regulations 52 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements, 2015

Outcome of the Board Meeting – Unaudited Financial Results and Limited Review Report for the quarter / Half year ended September 30, 2022

With reference to the aforesaid subject, we wish to inform you that the Board of Directors of the Company, at its Meeting held today i.e on 1st November, 2022, has inter-alia considered and approved the Un-audited financial results for the quarter and half year ended 30th September, 2022.

Accordingly, we enclose herewith the following:

- a. Un-audited Financial Results for the quarter and half year ended 30th September, 2022 together with Limited Review Report issued by the Joint statutory auditors of the Company;
- b. Statement containing details required under Regulation 52(4). (Line items along with financial results)
- c. Disclosure of the extent and nature of security created and maintained for secured non-convertible securities as required under Regulation 54 of the SEBI Listing Regulations is made in the unaudited Financial Results for the quarter and half year ended September 30, 2022. Further, the security cover certificate is enclosed herewith.
- d. Statement of Related Party Transactions pursuant to the provisions of Regulation 23(9) of SEBI Listing Regulations.

The meeting commenced at 5:30 p.m. and concluded at 8.05 p.m.

Kindly take the above submission on record.

Thanking you,

Yours truly,

For Hinduja Leyland Finance Limited

BALASUBRAMANIAN
ANIAN
SHANMUGASUNDRAM
M
Date: 2022.11.01
20:27:00 +05'30'

B Shanmugasundaram

Company Secretary

Encl:- As above

HINDUJA LEYLAND FINANCE LIMITED

Corporate Office : No. 27A, Developed Industrial Estate, Guindy, Chennai - 600 032. Tel : (044) 22427525, 22427555

Registered Office : Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai - 400018. Maharashtra

Tel : 91-22-6136-0407; 91-22-2496-0707

Website : www.hindujaleylandfinance.com

CIN : U65993MH2008PLC384221 • Email : compliance@hindujaleylandfinance.com

Walker Chandio & Co LLP
11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400 013
Maharashtra, India

Suresh Surana & Associates LLP
"Apex Towers" 2nd & 4th Floor,
No.54 (Old No. 42).
Second Main Road, R.A. Puram,
Chennai - 600 028.
Tamil Nadu, India.

Independent Auditors' Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of Hinduja Leyland Finance Limited pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Hinduja Leyland Finance Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of **Hinduja Leyland Finance Limited** ('the Company') for the quarter ended 30 September 2022 and the year to date results for the period 01 April 2022 to 30 September 2022, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the Securities and Exchange Board of India ("SEBI") from time to time.
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.



Walker Chandiook & Co LLP

Suresh Surana & Associates LLP

5. The review of standalone unaudited quarterly financial results for the quarter ended 30 June 2022 and the audit of the financial statements for the year ended 31 March 2022, included in the Statement as comparative information, were carried out and reported by Deloitte Haskins & Sells, Chennai and Suresh Surana & Associates LLP, who had expressed an unmodified conclusion vide their review report dated 22 July 2022 and an unmodified opinion vide their audit report dated 17 May 2022, respectively. Accordingly, Walker Chandiook & Co LLP do not express any conclusion or opinion on the figures reported in the Statement for the quarter ended 30 June 2022 and for the year ended 31 March 2022. Our conclusion is not modified in respect of this matter.
6. The review of standalone unaudited quarterly and year-to-date financial results for the period ended 30 September 2021, included in the Statement as comparative information, was carried out and reported by Deloitte Haskins & Sells, Chennai, who had expressed an unmodified conclusion vide their review report dated 10 November 2021, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013



Rakesh Rathi
Partner
Membership No: 045228
UDIN: 22045228BBQBBDP9918



Place: Mumbai
Date: 01 November 2022

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No: 121750WW/100010



P. Shankar Raman
Partner
Membership No: 204764
UDIN: 22204764BBPORD8301

Place: Chennai
Date: 01 November 2022



Hinduja Leyland Finance Limited
Corporate Identity Number : U65993MH2008PLC384221
 Regd. Office: Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra - 400018
 Corporate office: 27A, Developed Industrial Estate, Guindy, Chennai, TamilNadu - 600032
 Tel : (044) 39252525 Website : hindujaleylandfinance.com Email : compliance@hindujaleylandfinance.com
Statement of Unaudited financial results for the quarter and half year ended September 30, 2022

Particulars	Quarter ended			Half year ended		Rs. in Lakhs
	30-Sep-2022	30-Jun-2022	30-Sep-2021	30-Sep-2022	30-Sep-2021	Year ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
Interest Income	58,700	58,454	57,928	1,17,154	1,19,308	2,39,527
Fees and commission income	1,395	1,323	1,587	2,718	2,419	5,305
Net gain on fair value changes	735	85	-	820	-	-
Net gain on derecognition of financial instruments	5,357	4,871	5,595	10,228	9,684	20,437
Other income	47	46	71	93	1,319	1,582
Total income	66,234	64,779	65,179	1,31,013	1,32,730	2,66,551
2 Expenses						
Finance costs	33,227	32,404	33,773	65,631	68,085	1,33,699
Fees and commission expense	1,427	1,801	1,312	3,228	2,293	5,961
Net loss on fair value changes	-	-	244	-	744	805
Impairment on financial assets	14,796	16,004	14,886	30,800	32,347	70,425
Employee benefits expense	3,825	3,599	3,361	7,424	6,648	14,353
Depreciation and amortisation	420	382	293	802	749	1,588
Other expenses	3,068	3,281	2,223	6,349	3,636	8,736
Total expenses	56,763	57,471	56,092	1,14,234	1,14,502	2,35,567
3 Profit before tax for the period / year (1-2)	9,471	7,308	9,087	16,779	18,228	31,284
4 Tax expenses	2,384	1,825	2,510	4,209	4,684	8,069
- Current tax	1,999	1,390	3,809	3,389	8,886	5,197
- Deferred tax	385	435	(1,299)	820	(4,202)	2,872
5 Profit after tax for the period / year (3-4)	7,087	5,483	6,577	12,570	13,544	23,215
6 Other comprehensive Income						
A Items that will not be reclassified subsequently to profit or loss						
(i) Remeasurement of defined benefit plans	9	27	11	36	24	70
(ii) Income tax relating to items that will not be reclassified to profit or loss	(2)	(7)	2	(9)	14	(18)
B Items that will be reclassified to profit or loss						
(i) Fair value gain/ (loss) on financial assets carried at Fair Value Through Other Comprehensive Income (FVOCI)	88	(20,555)	11,804	(20,467)	6,498	(27,837)
(ii) Income tax relating to items that will be reclassified to profit or loss	(22)	5,174	(2,972)	5,152	(1,636)	7,006
Other comprehensive Income	73	(15,361)	8,845	(15,288)	4,900	(20,779)
7 Total comprehensive Income	7,160	(9,878)	15,422	(2,718)	18,444	2,436
8 Paid up Share Capital (face value of Rs.10 each)	46,990	46,989	46,984	46,990	46,984	46,989
9 Other Equity						3,38,175
10 Earnings per equity share (face value of Rs.10/- each)#						
- Basic (in Rs.)	1.51	1.17	1.40	2.68	2.88	4.94
- Diluted (in Rs.)	1.50	1.17	1.40	2.67	2.88	4.94

earnings per share for the quarters/half years are not annualised



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Note 1: Standalone Statement of Assets and Liabilities as on September 30, 2022

Particulars	Rs. Lakhs	
	As at 30 September 2022 Unaudited	As at 31 March 2022 Audited
ASSETS		
Financial Assets		
Cash and cash equivalents	58,281	79,779
Bank balance other than cash and cash equivalents	3,952	3,872
Loans	18,63,854	18,06,315
Investments	1,71,336	1,45,263
Other financial assets	40,940	34,417
	21,38,363	20,69,646
Non-financial Assets		
Current tax assets (net)	11,371	9,182
Property, plant and equipment	8,133	8,107
Capital work-in-progress	285	44
Other intangible assets	65	68
Right of use assets	4,187	3,594
Other non-financial assets	7,291	5,486
	31,332	26,481
Total assets	21,69,695	20,96,127
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding of an debtors dues other than micro enterprises and small enterprises	3,559	3,128
Debt securities	1,12,880	1,32,816
Borrowings (other than debt securities)	14,94,076	13,75,767
Deposits	162	162
Subordinated liabilities	1,04,226	1,22,141
Other financial liabilities	58,460	58,087
	17,73,363	16,92,101
Non-Financial Liabilities		
Provisions	217	264
Deferred tax liabilities (net)	13,265	17,588
Other non-financial liabilities	401	1,010
	13,883	18,862
EQUITY		
Equity share capital	46,990	46,989
Other equity	3,35,459	3,38,175
	3,82,449	3,85,164
Total Liabilities and Equity	21,69,695	20,96,127

Place : Chennai
Date : 01-Nov-2022



For Hinduja Leyland Finance Limited

Sachin Pillal

Sachin Pillal
Managing Director & CEO



Note 2: Standalone Statement of Cash Flows

Standalone Statement of cash flow for the half year ended September 30, 2022

Particulars	INR in Lakhs		
	Half year ended 30 September 2022 Unaudited	Half year ended 30 September 2021 Unaudited	Year ended 31 March 2022 Audited
A. Cash flow from operating activities			
Net profit before tax	16,779	18,228	31,284
Adjustments for:			
Depreciation and amortization	802	749	1,588
Profit on disposal of property, plant and equipment(PPE)	(12)	-	(74)
Net (gain) /loss on fair value changes/disposal of investments	(820)	744	805
Finance costs	65,631	68,095	1,33,699
Interest Income	(1,17,234)	(1,19,414)	(2,39,751)
Provision for expected credit loss and amounts written off	29,920	30,112	66,735
Impairment loss on other receivables	880	2,235	3,690
Share based payment expense	-	80	159
Operating cash flow before working capital changes	(4,054)	819	(1,865)
Adjustments for (Increase) / Decrease in operating assets:			
Other receivables	-	(2,235)	-
Loans	(1,07,928)	29,511	52,272
Other non- financial assets	(1,805)	1,347	250
Other financial assets	(7,004)	(3,961)	(47,437)
Adjustments for Increase / (Decrease) in operating liabilities:			
Trade payables	431	(533)	1,406
Other financial liabilities	(1,538)	(814)	(5,259)
Other non financial liabilities and provisions	(620)	(129)	401
Net cash (used in)/generated from operations	(1,22,516)	24,005	(232)
Interest & Finance cost paid	(62,719)	(67,047)	(1,32,001)
Interest received	1,16,755	1,21,193	2,38,340
Taxes paid (net)	(5,578)	(1,350)	(7,859)
Net cash generated from/(used in) operating activities (A)	(74,059)	76,801	98,247
B. Cash flow from investing activities			
Investment in mutual fund, pass through securities and security receipts (net)	(20,732)	16,450	3,340
Investment in redeemable non-convertible debentures (net)	(1,926)	(581)	(2,288)
Investment in equity shares of subsidiary companies	(2,505)	(744)	(7,754)
Bank deposits- (Placed)/Matured (having original maturity of more than three months)	(80)	(5,105)	1,713
Purchase of PPE including capital work-in-progress	(427)	(732)	(110)
Interest on fixed deposits	80	107	224
Net cash (used in)/generated from investing activities (B)	(25,680)	9,415	(4,875)
C. Cash flow from financing activities			
Proceeds from issue of equity shares including securities premium	3	25	48
Proceeds from long term borrowings	4,11,854	2,82,639	5,91,809
Repayment of long term borrowings	(3,16,973)	(3,11,667)	(6,76,226)
Repayment of working capital loan / cash credit and commercial paper (net)	(15,906)	(44,524)	(8,645)
Payments of Lease liability	(737)	(517)	(1,416)
Net cash (used in)/generated from financing activities (C)	78,241	(74,044)	(94,430)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(21,498)	12,171	(1,058)
Cash and cash equivalents at the beginning of the year/period	79,779	80,838	80,838
Cash and cash equivalents at the end of the year/period	58,281	93,009	79,779

For Hinduja Leyland Finance Limited

Sachin Pillai

Sachin Pillai
Managing Director & CEO

Place : Chennai
Date : 01-Nov-2022



Notes:

- 3 The above unaudited standalone financial results have been reviewed by the Audit Committee at their meeting held on October 31, 2022 and approved by the Board of Directors at their meeting held on November 01, 2022 and reviewed by joint statutory auditors, pursuant to Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The unaudited standalone financial results of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act").

The Company has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2022.

- 4 The Company continues to monitor the developments/impact arising from Covid-19 pandemic, including any new information concerning the severity of the Covid-19 pandemic, and any action to contain its spread or mitigate its impact.

As at September 30, 2022, the Company holds an aggregate provision of ₹ 72,590 Lakhs against the advances which includes provision of ₹ 15,012 Lakhs for the accounts restructured under the RBI resolution framework.

- 5 (a) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5 May 2021

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution Plan- Position as at 30 Sep 2021(A)	Of (A), aggregate debt that slipped into NPA during the half year ended 30 Sep 2022	Of (A), amount written off during the half year ended 30 Sep 2022#	Of(A), amount paid by the borrowers during the half year ended 30 Sep 2022^	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at 30 Sep 2022
Personal Loans**	-	-	-	-	-
Corporate Loans	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others (Rs. in Lakh)	1,66,061	10,248	-	7,723	1,48,090
Total	1,66,061	10,248	-	7,723	1,48,090

** Includes restructuring implemented pursuant to OTR 2.0 till 30 September 2021.

represents debt that slipped into stage 3 and was subsequently written off during the half-year
^ represents receipts net of interest accruals and disbursements, if any

- 6 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51 /21.04.048/2021-22 dated 24 September 2021
Details of transfer through assignment in respect of loans not in default during the half year ended 30 September 2022

Aggregate amount of loans transferred through Direct Assignment (Rs. in Lakh)	1,52,990
Sale consideration (Rs. in Lakh)	1,37,691
Number of transactions	9
Weighted average remaining maturity in months	28.65
Weighted average holding period after origination in months	16.04
Retention of beneficial interest	10%
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Not applicable
Number of instances (transactions) where transferred as agreed to replace the transferred loans	Nil
Number of transferred loans replaced	Nil

- (b) Details of loans (not in default) acquired through assignment during the half year ended 30 September 2022

Aggregate amount of loans transferred through Direct Assignment (Rs. in Lakh)	16,687.53
Weighted average remaining maturity in months	12.82
Weighted average holding period after origination in months	10.92
Retention of beneficial interest	10%
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	-



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(c) Details of stressed loans transferred during the half year ended 30 September 2022

Particulars	To Asset Reconstruction		To Permitted transferees	
	NPA	SMA	NPA	SMA
Number of accounts	30,600	-	-	-
Aggregate principal outstanding of loans transferred (Rs.in Lakh)	28,817	-	-	-
Weighted average residual tenor of the loans transferred in months	2.94	-	-	-
Net book value of loans transferred (at the time of transfer) (Rs. in Lakh)	19,212	-	-	-
Aggregate consideration (Rs. in Lakh)	19,212	-	-	-

- 7 RBI vide Circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications" has clarified / harmonized certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The Company has taken necessary steps to comply with the norms/ changes for regulatory reporting, prospectively with effect from October 01, 2022 as clarified vide circular dated February 15, 2022.
- 8 The Company has raised Rs 91,000 lakhs through preferential issue of 6,50,00,000 equity shares issued to various Qualified Institutional Buyers (QIBs) during October, 2022 and equity shares were allotted to QIBs on October 13, 2022 at an issue price being Rs 140/-; face value Rs 10/- per share; securities premium Rs 130/- per share.
- 9 The Board of Directors in its meeting held on March 16, 2022 approved the proposed merger of the Company with NxtDigital Limited. The said merger will be subject to the requisite approvals from various regulatory and statutory authorities, respective shareholders and creditors.
- 10 All the secured non-convertible debentures of the Company including those issued during the current quarter are fully secured by hypothecation of book debts/loan receivables to the extent as stated in the information memorandum. Further, the Company has maintained asset cover as stated in the information memorandum which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.
- 11 The Company is primarily engaged into business of providing loans for asset finance. The Company has its operations within India and all revenues are generated within India. As such, there are no separate reportable segment as per the provisions of Ind AS 108 'Operating Segments'.
- 12 The review of financial results for the quarter ended 30 June 2022 and the audit of the financial statements for the year ended 31 March 2022, included in the Statement as comparative information, were carried out and reported by Deloitte Haskins & Sells, Chennai and Suresh Surana & Associates LLP, who had expressed an unmodified conclusion vide their review report dated 22 July 2022 and an unmodified opinion vide their audit report dated 17 May 2022, respectively. Further, the review of standalone unaudited quarterly and year-to-date financial results for the period ended 30 September 2021, included in the Statement as comparative information, was carried out and reported by Deloitte Haskins & Sells, Chennai who had expressed an unmodified conclusion vide their review report dated 10 November 2021.
- 13 The figures of the previous periods have been regrouped and/or reclassified to conform to the current period's classification.

For Hinduja Leyland Finance Limited



Sachin Pillai
Managing Director & CEO

Place : Chennai
Date : 01-Nov-2022



Annexure: Disclosures as per clause 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

a. Details of credit rating and change in credit rating

Facility / Rating agency	Rating assigned		
	CRISIL	CARE	India Rating
Redeemable non-convertible debentures	AA-	AA-	Not applicable
Subordinated redeemable non-convertible debentures	AA-	AA-	Not applicable
Commercial paper	A1+	A1+	Not applicable
Bank facilities	AA-	AA-	AA-

b. Debt-Equity ratio (in times) as at September 30, 2022 is 4.47. For the purpose of the ratio, a) debt includes debt securities, borrowings other than debt securities and sub-ordinated liabilities and b) equity includes equity share capital and other equity (Other equity includes Securities Premium Account, Employee Stock Option Outstanding Account, Statutory Reserve, Retained Earnings (Surplus in Statement of Profit and Loss) and Other Comprehensive Income).

c. Previous / next due date for the payment of interest / principal on non-convertible debt securities - redeemable non-convertible debentures

Particulars	Principal		Interest	
	Amount (INR In Lakhs)	Next due date	Previous due date	Next due date
9.25% Redeemable non-convertible debentures (ISIN: INE146O07375)	20,000	02-Jun-23	04-Jun-22	02-Jun-23
8.50% Redeemable non-convertible debentures (ISIN: INE146O07425)	20,000	15-Dec-23	15-Dec-21	15-Dec-22
8.00% Redeemable non-convertible debentures (ISIN: INE146O07433)	5,500	28-Jun-23	NA	On Maturity
7.95% Redeemable non-convertible debentures (ISIN: INE146O07441)	25,000	14-Feb-23	13-May-22	14-Feb-23
7.80% Redeemable non-convertible debentures (ISIN: INE146O07458)	12,500	24-Nov-23	NA	On Maturity
7.80% Redeemable non-convertible debentures (ISIN: INE146O07466)	10,000	29-Dec-23	29-Dec-21	29-Dec-22
7.45% Redeemable non-convertible debentures (ISIN: INE146O07474)	20,000	08-Mar-24	NA	08-Mar-23

Notes:

1. Principal and Interest payments were made on or before the due dates.
2. The above disclosures are towards redeemable non-convertible debentures outstanding as at September 30, 2022..
3. The redeemable non-convertible debentures issued by the Company are secured by exclusive charge on hypothecation of specific loan receivables with a security cover of upto 110% as per the terms of issue.

d. Previous/ next due date for the payment of interest/ principal on non-convertible debt securities - Subordinated redeemable non-convertible debentures:

Particulars	Principal		Interest	
	Amount (INR In Lakhs)	Next due date	Previous due date	Next due date
9.40% Subordinated redeemable non-convertible debentures (ISIN: INE146O08100)	10,000	28-Aug-24	26-Aug-22	27-Aug-23
9.20% Subordinated redeemable non-convertible debentures (ISIN: INE146O08118)	10,000	13-Sep-24	13-Sep-22	13-Sep-23
9.50% Subordinated redeemable non-convertible debentures (ISIN: INE146O08126)	5,000	28-Sep-23	28-Sep-22	28-Mar-23
10.15% Subordinated redeemable non-convertible debentures (ISIN: INE146O08134)	10,000	27-Mar-25	25-Mar-22	27-Mar-23
9.70% Subordinated redeemable non-convertible debentures (ISIN: INE146O08142)	15,000	17-Sep-24	NA	On Maturity
11.60% Subordinated redeemable non-convertible debentures (ISIN: INE146O08159)	10,000	29-Sep-24	28-Mar-22	28-Mar-23
9.75% Subordinated redeemable non-convertible debentures (ISIN: INE146O08167)	4,500	18-Aug-26	16-Feb-22	16-Feb-23
9.75% Subordinated redeemable non-convertible debentures (ISIN: INE146O08175)	10,500	08-Oct-26	08-Mar-22	08-Mar-23
9.75% Subordinated redeemable non-convertible debentures (ISIN: INE146O08183)	5,000	18-Sep-26	19-Mar-22	18-Mar-23
9.75% Subordinated redeemable non-convertible debentures (ISIN: INE146O08191)	7,500	25-Sep-26	28-Mar-22	27-Mar-23
9.75% Subordinated redeemable non-convertible debentures (ISIN: INE146O08209)	5,000	21-Apr-28	22-Apr-22	21-Apr-23
9.70% Subordinated redeemable non-convertible debentures (ISIN: INE146O08217)	5,000	19-Jan-27	19-Jul-22	19-Jul-23

Note : Principal and Interest payments were made on or before the due dates.

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e. Particulars	As at 30-Sep-22
Outstanding redeemable preference shares (quantity)	NIL
Outstanding redeemable preference shares (Rs.in Lakh)	NIL
Net worth (Rs.in Lakh)	3,82,449
Net profit after tax (Rs.in Lakh) for the half year	12,570
Earnings per share for the half year	
Basic (in Rs.)	2.68
Diluted (in Rs.)	2.67
Debt Service coverage ratio	Not Applicable
Interest service coverage ratio	Not Applicable
Capital redemption reserve (Rs. in Lakh)	Not Applicable
Current ratio	Not Applicable
Long term debt to working capital	Not Applicable
Bad debts to account receivable ratio	Not Applicable
Current liability ratio	Not Applicable
Total debts to total assets	0.79
Debtors turnover	Not Applicable
Inventory turnover	Not Applicable
Operating margin	Not Applicable
Net profit margin	9.59%
Sector specific equivalent ratios include following	
Gross stage III assets (%)	6.31%
Net stage III assets (%)	4.36%
Provision coverage	32.42%
Liquidity coverage ratio (Calculated as per RBI guidelines)	249.20%
Capital risk adequacy ratio (CRAR) %	17.61%

Notes:

1. Networth includes equity share capital and other equity (Other equity includes Securities Premium, Employee Stock Option Outstanding Account, Statutory Reserve, Retained Earnings (Surplus in Statement of Profit and Loss) and Other Comprehensive Income).
2. Networth is calculated as defined in section 2(57) of Companies Act 2013.
3. Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / total assets
4. Net profit margin = Net profit after tax / total income.
5. Capital ratio = Adjusted net worth / Risk weighted assets, calculated as per applicable RBI guidelines.
6. Gross Stage III (%) = Gross Stage III Loans EAD / Gross Total Loans EAD. Exposure at default (EAD) includes Loan Balance and interest thereon but does not include Security Receipts. Stage-III loans has been determined as per Ind AS 109.
7. Net Stage III = (Gross Stage III Loans EAD - Impairment loss allowance for Stage III) / (Gross Total Loans EAD - Impairment loss allowance for Stage III).
8. Provision coverage = Total Impairment loss allowance for Stage III / Gross Stage III Loans EAD.

For Hinduja Leyland Finance Limited


Sachin Pillai

Managing Director & CEO

Place : Chennai
Date : 01-Nov-2022



Walker Chandlok & Co LLP

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Independent Auditor's Certificate pursuant to Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Regulation 15(1)(t)(ii)(a) of SEBI (Debenture Trustees) Regulations, 1993 (as amended)

To,
The Board of Directors,
Hinduja Leyland Finance Limited,
Hinduja House, 171,
Dr. Annie Besant Road, Worli, Mumbai
MH 400018 IN

1. This certificate is issued in accordance with the terms of our engagement letter dated 20 October 2022 with **Hinduja Leyland Finance Limited** ('the Company').
2. The accompanying statement containing details of Non-Convertible Debentures ('NCDs') of the Company outstanding as at 30 September 2022 along with security cover maintained against such NCDs (Annexure I), and the Company's compliance with the financial covenants per the terms of debenture trust deed (Annexure II) (collectively referred to as 'the Statement') has been prepared by the Company's management for the purpose of submission of the Statement along with this certificate to the Debenture Trustee of the Company, pursuant to the requirements of Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and pursuant to the requirements of Regulation 15(1)(t)(ii)(a) of SEBI (Debenture Trustees) Regulations, 1993 (as amended) (collectively referred to as 'the Regulations'). We have initialed the Statement for identification purposes only.

Management's Responsibility for the Statement

3. The preparation of the Statement, including the preparation and maintenance of all accounting and other relevant supporting records and documents, is solely the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring the compliance with the requirements of the Regulations and the debenture trust deed for the purpose of furnishing this Statement and for providing all relevant information to the Debenture Trustee.



Auditor's Responsibility

5. Pursuant to requirements as referred to in paragraph 2 above, it is our responsibility to provide limited assurance in the form of a conclusion that the details included in Annexure I of the accompanying Statement regarding maintenance of adequate security cover, and the details included in Annexure II of the accompanying Statement regarding compliance with the financial covenant as stated in debenture trust deed in respect of listed NCDs of the Company outstanding as at 30 September 2022, are in agreement with the unaudited standalone financial results of the Company, underlying books of account and other relevant records and documents maintained by the Company for the half year ended 30 September 2022, and that the calculation thereof is arithmetically accurate.
6. The unaudited standalone financial results, referred to in paragraph 5 above, have been reviewed by us, on which we have issued an unmodified conclusion vide our report dated 01 November 2022. Our review of standalone financial results was conducted in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India ('the ICAI'). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to the financial data and thus, provides less assurance than an audit. We have not performed an audit and accordingly, we did not express an audit opinion.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.
9. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The procedures selected depend on the auditor's judgment, including the assessment of the areas where a material misstatement of the subject matter information is likely to arise. We have performed the following procedures in relation to Annexures I and II of the Statement:
 - a. Obtained the details of security cover, financial covenants criteria from the debenture trust deed in respect of the listed NCDs outstanding as at 30 September 2022;
 - b. Enquired and understood management's assessment of compliance with details of security cover and the financial covenants as obtained in point (a) above and corroborated the responses from the understanding obtained by us during the review of the standalone financial results as referred in paragraph 6 above, and such further inspection of supporting and other documents as deemed necessary.
 - c. Traced the value of assets forming part of the security cover from the unaudited standalone financial results, underlying books of account and other relevant records and documents maintained by the Company for the half year ended 30 September 2022;
 - d. Recomputed the security cover based on the information as obtained in point (a) and (c) above;
 - e. Recomputed the financial covenants in relation to 'Capital to Risk Assets Ratio' and 'Debt Equity Ratio' as mentioned in Annexure II of the Statement as on 30 September 2022 and ensured that the amounts used in such computation have been accurately extracted from unaudited standalone financial results, underlying books of account and other relevant records and documents maintained by the Company for the half year ended 30 September 2022;
 - f. Verified the arithmetical accuracy of the Statement;



- g. Obtained necessary representations from the management; and
- h. Based on the procedure performed in (a) to (g) above, evaluated whether the Company has complied with financial covenants including maintenance of adequate security cover and also the appropriateness of declaration made by the management in Annexure II of the Statement.

Conclusion

- 10. Based on our examination and the procedures performed as per paragraph 9 above, evidences obtained, and the information and explanations given to us, along with the representations provided by the management, nothing has come to our attention that causes us to believe that the details included in Annexure I and Annexure II of the accompanying Statement regarding maintenance of adequate security cover and compliance with financial covenants as stated in the debenture trust deeds of listed NCDs of the Company outstanding as at 30 September 2022, are not in agreement with the standalone financial results of the Company, its underlying books of accounts and other relevant records and documents maintained by the Company for the half year ended 30 September 2022, or the calculation thereof is arithmetically inaccurate.

Restriction on distribution or use

- 11. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or have had) as the statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
- 12. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with the requirements of the Regulations, which inter alia, require it to submit this certificate along with the Statement to the Debenture Trustee of the Company, and therefore, this certificate should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Rakesh Rathi

Partner

Membership No.: 045228

UDIN: 22045228BBQEBX2644

Place: Mumbai

Date: 01 November 2022



HINDUJA LEYLAND FINANCE

Statement of Compliance of Covenants for Non-convertible debt securities as at September 30, 2022

SL.NO	ISIN	Covenants	Management Response
Secured Non Convertible Debts (NCDs)			
1	INE146007375	Covenant: 1.The Capital adequacy ratio shall be maintained at minimum of the levels stipulated by the RBI at all points in time (currently 15.0%) 2. Net NPA (PAR 90 less provisions) on a standalone basis shall not exceed 6% of the Assets under Management of the Issuer.	Complied
2	INE146007425		
3	INE146007433		
4	INE146007441		
5	INE146007458		
6	INE146007474		
7	INE146007466	Covenant: 1.The Capital adequacy ratio shall be maintained at minimum of the levels stipulated by the RBI at all points in time (currently 15.0%) 2. Net NPA (PAR 90 less provisions) on a standalone basis shall not exceed 6% of the Assets under Management of the Issuer. 3. Debt to Equity to be less than 7.0x	
Unsecured Non Convertible Debts (NCDs)			
1	INE146008191	Covenant: 1.The Capital adequacy ratio shall be maintained at minimum of the levels stipulated by the RBI at all points in time (currently 15.0%) 2. Net NPA (PAR 90 less provisions) on a standalone basis shall not exceed 6% of the Assets under Management of the Issuer.	Complied
2	INE146008183		
3	INE146008175		
4	INE146008209		
5	INE146008175		
6	INE146008217		
7	INE146008167		
8	INE146008100		
9	INE146008118	Covenant: 1.The Capital adequacy ratio shall be maintained at minimum of the levels stipulated by the RBI at all points in time (currently 15.0%) 2. Net NPA (PAR 90 less provisions) on a standalone basis shall not exceed 5% of the Assets under Management of the Issuer.	Complied
10	INE146008159		
11	INE146008142		
12	INE146008126		
13	INE146008134		

Note 1: PAR 90" shall mean, on the Issuer's entire assets under management at any point of time, as the case may be, the outstanding principal value of the relevant portfolio of the Issuer that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more.

For Hinduja Leyland Finance Limited


Authorised Signatory

Place: Chennai
Date : 1st November , 2022



HINDUJA LEYLAND FINANCE LIMITED

Corporate Office : No. 27A, Developed Industrial Estate, Guindy, Chennai - 600 032. Tel : (044) 22427525, 22427555
Registered Office : Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai - 400018. Maharashtra
Tel : 91-22-6136-0407; 91-22-2496-0707
Website : www.hindujaleylandfinance.com
CIN : U65993MH2008PLC384221 • Email : compliance@hindujaleylandfinance.com

Deloitte Haskins & Sells

ASV N Ramana Tower
52, Venkatnarayana Road
T. Nagar, Chennai-600 017
Tamil Nadu, India

Suresh Surana & Associates LLP

"Apex Towers", 2nd Floor No. 54
2nd Main Road, R A Puram,
Chennai - 600028
Tamil Nadu, India

INDEPENDENT AUDITORS' REPORT**To The Members of Hinduja Leyland Finance Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of **Hinduja Leyland Finance Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Auditor's Responsibility for the Audit of the Standalone financial statements section of our report. We are independent of the Company 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 standalone 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 standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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.



Description of Key Audit Matters Key Audit Matters	Auditor's Response
<p>1. Impairment of Financial Assets</p> <p>Management estimates impairment provision using Expected Credit loss (ECL) model for the loan exposure as per the Board approved policy which is in line with Ind AS and the applicable Regulations. Measurement of impairment of loans involve application of significant management judgement. The most significant judgements are:</p> <ul style="list-style-type: none"> • Timely identification and classification of the impaired loans, including classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of RBI's regulatory circulars. • Determination of Exposure at default (EAD), probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors. • Assessment of qualitative factors having an impact on the credit risk. • The Company'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>The disclosures made in the standalone 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. Refer Note 3.6 and 44 to the standalone financial statements.</p> <p>The aforesaid involves significant management estimates/ judgements and hence identified as Key Audit Matter.</p>	<p>Principal audit procedures performed: These procedures included, but not limited, to the following:</p> <ul style="list-style-type: none"> • We examined Board Policy approving methodologies 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 borrowers. • We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates, management's monitoring of model validation and production of journal entries and disclosures. • We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2022 by reconciling it with the balances as per loan balance register and loan commitment report as on that date. • We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. • Tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records. • For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD. • For exposure determined to be individually impaired, we tested samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations. • We performed an overall assessment of the ECL provision levels at each stage including management's assessment and provision on account of Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. • 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 Company's assets.</p> <p>The valuation of the Company'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"> the management's methodology for determining Fair Value, including consideration of the current and estimated future economic conditions the completeness and accuracy of information used in determining Fair Value.
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Information Other than the standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the standalone financial statements and our auditors' report thereon. The reports are expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company 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 Company 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company'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 the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 Company 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

We communicate with those charged with governance 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 standalone 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

The financial statements as at and for the year ended March 31, 2021, have been audited by Deloitte Haskins & Sells, Chennai, Chartered Accountants, one of the joint statutory auditors of the Company, whose report dated June 03, 2021 expressed an unmodified opinion on those financial statements. Accordingly, we, Suresh Surana & Associates LLP, Chartered Accountants, do not express any opinion on the figures reported in the financial statements for the year ended March 31, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone 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 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditors' 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 has been paid by the Company 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 Auditors' 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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 37 to standalone financial statements)
 - ii. The Company did not have any long-term contracts including derivative contracts, as at the year-end for which there were any material foreseeable losses.

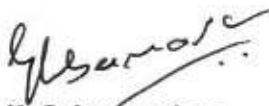


- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 55 to the financial statements.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 55 to the financial statements.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. As required by the Companies (Auditors' Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 008072S)



G. K. Subramaniam
Partner
Membership No: 109839
Place: Chennai
Date: May 17, 2022
UDIN: 22109839AJCJRZ1774

For **Suresh Surana & Associates LLP**
Chartered Accountants
(Firm Registration No. 121750W/W100010)



P. Shankar Raman
Partner
Membership No: 204764
Place: Chennai
Date: May 17, 2022
UDIN: 22204764AJCJIQ3773



**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1(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 Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **Hinduja Leyland Finance Limited** (the "Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 auditor's 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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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.

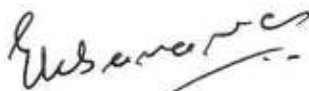
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 008072S)



G. K. Subramaniam
Partner
Membership No: 109839
Place: Chennai
Date: May 17, 2022
UDIN: 22109839AJCJRZ1774

For **Suresh Surana & Associates LLP**
Chartered Accountants
(Firm Registration No. 121750W/W100010)



P. Shankar Raman
Partner
Membership No: 204764
Place: Chennai
Date: May 17, 2022
UDIN: 22204764AJCJIQ3773



ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) According to the information and explanations given to us, in respect of Property, Plant and Equipment & Intangible Assets
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of intangible assets.
 - b) The Company has a program of verification of Property, Plant and Equipment, so as to cover all the items which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
 - d) The Company has not revalued any of its Property, Plant and Equipment including Right of Use Assets and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) The Company does not have any inventory and hence, reporting under clause 3(ii)(a) of the Order is not applicable.
- b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at points of time during the year, from the bank on the basis of security of current assets of the Company. According to the information and explanations given to us, the Company has not utilised any amount from the aforesaid fresh sanctioned working capital and hence no quarterly return filed by the Company with such bank. There are no fresh working capital limit sanctioned to the Company from any financial institution during the year.
- (iii) During the year, the Company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. The Company has not provided any guarantee or security to any other entity during the year. With respect to such investments and loans and advances:
- a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.



- b) The investments made and the terms and conditions of the grant of all the loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 3.6 to the standalone Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2022, aggregating ₹ 1,328 crore were categorised as credit impaired ("Stage 3") and ₹ 5,119 crore were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 44 to the Standalone Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating ₹ 12,390 crore, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), overdues in the repayment interest and/or principal aggregating ₹ 1,963 crore were also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.
- d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 1,328 crore. Reasonable steps are being taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements
- e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances during the year in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in regard to the Company. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.



- (vii) According to the information and explanations given to us, in respect of statutory dues:
- Undisputed statutory dues, including Goods and Service tax (GST), Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
 - Details of dues of Income Tax and Value Added Tax which have not been deposited as on March 31, 2022 on account of disputes given below.

Name of Statute	Nature of Dues	Forum where the dispute is pending	Period to which amount relates	Amount Involved (Rs. in lakh)	Amount unpaid (Rs. in lakh)
Income Tax	Income Tax	CIT Appeal	AY 2017-18	991.14	991.14
Odisha VAT Act, 2004	Value Added Tax	High Court of Judicature at Orissa	2012 - 13	0.39	0.39
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	High Court of Judicature at Hyderabad	2011 - 12	17.55	11.70
Karnataka VAT Act, 2003	Value Added Tax	High Court of Judicature at Bangalore, Karnataka	2012-13 to 2016-17	121.16	84.81

- (viii) According to the information and explanations given to us, no transactions relating to previously unrecorded income were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) According to the information and explanations given to us, in respect of borrowings:
- The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application in respect of term loans raised towards the end of the year.
 - On an overall examination of the maturity profile of financial assets and financial liabilities provided in Note 39 to the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or an associate or a joint venture.



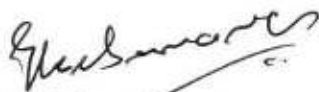
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or an associate or a joint venture.
- (x)
- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Further, in respect of moneys borrowed through term loans or debt securities, in our opinion and according to information and explanation given to us, the Company has utilised the money for the purpose for which they were borrowed, other than temporary deployment pending application of proceeds.
- b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi)
- a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.
- c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.
- (xiv) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2022.
- (xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Act are not applicable.
- (xvi) a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.
- b) During the year,
- the Company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934.
- the Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.



The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(c) and (d) of the Order is not applicable.

- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company. Hence, reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.
- (xxi) According to the information and explanations given to us, and based on the CARO reports issued by the auditors of the subsidiaries, an associate and joint venture included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 008072S)



G. K. Subramaniam
Partner
Membership No: 109839
Place: Chennai
Date: May 17, 2022
UDIN: 22109839AJCJRZ1774

For **Suresh Surana & Associates LLP**
Chartered Accountants
(Firm Registration No. 121750W/W100010)



P. Shankar Raman
Partner
Membership No: 204764
Place: Chennai
Date: May 17, 2022
UDIN: 22204764AJCJIQ3773





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

Particulars	Note No.	INR In Lakh	
		As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial assets			
Cash and cash equivalents	5	79,779	80,838
Bank balance other than cash and cash equivalents	6	3,872	5,585
Loans	7	18,06,315	19,53,159
Investments	8	1,45,263	98,707
Other financial assets	9	34,417	31,427
		<u>20,69,646</u>	<u>21,69,716</u>
Non-financial assets			
Current tax assets (net)		9,182	5,639
Property, plant and equipment	10	8,107	8,429
Capital work-in-progress		44	38
Other intangible assets	10A	68	72
Right of use assets	10B	3,594	2,632
Other non-financial assets	11	5,486	5,736
		<u>26,481</u>	<u>22,546</u>
Total Assets		<u><u>20,96,127</u></u>	<u><u>21,92,262</u></u>
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables	12		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding of an debtors dues other than micro enterprises and small enterprises		3,128	1,722
Debt securities	13	1,32,816	1,25,432
Borrowings (other than debt securities)	14	13,75,767	14,70,540
Deposits	15	162	162
Subordinated liabilities	16	1,22,141	1,27,814
Other financial liabilities	17	58,087	61,423
		<u>16,92,101</u>	<u>17,87,093</u>
Non-financial liabilities			
Provisions	18	264	386
Deferred tax liabilities (net)	32	17,588	21,705
Other non-financial liabilities	19	1,010	557
		<u>18,862</u>	<u>22,648</u>
EQUITY			
Equity share capital	20	46,989	46,978
Other equity	21	3,38,175	3,35,543
		<u>3,85,164</u>	<u>3,82,521</u>
Total Liabilities and Equity		<u><u>20,96,127</u></u>	<u><u>21,92,262</u></u>

The notes referred to above form an integral part of these standalone 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

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

F. Shankar Raman
Partner

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949



Chennai
Date: 17 May 2022



HINDUJA LEYLAND FINANCE LIMITED
Standalone Statement of Profit and Loss for the year ended 31 March 2022


Particulars	Note No.	INR In Lakh	
		Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations			
Interest income	22	2,39,527	2,49,277
Fees and commission income	23	5,305	3,747
Net gain on fair value changes		(805)	3,542
Net gain on derecognition of financial instruments	24	20,437	18,716
Total revenue from operations		2,64,464	2,75,282
Other income	25	1,582	2,200
Total income		2,66,046	2,77,482
Expenses			
Finance costs	26	1,33,699	1,42,693
Fees and commission expense	27	5,961	3,778
Impairment on financial assets	28	70,425	73,609
Employee benefits expenses	29	14,353	13,977
Depreciation and amortization expense	30	1,588	1,859
Others expenses	31	8,736	6,411
Total expenses		2,34,762	2,42,327
Profit before tax		31,284	35,155
Tax expense:			
Current tax		5,197	10,868
Deferred tax	32	2,872	(2,103)
Tax pertaining to earlier years		-	(623)
Total Taxes		8,069	8,142
Net profit for the year		23,215	27,013
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		70	(33)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(18)	11
(B) (i) Items that will be reclassified to profit or loss			
(i) Fair value (loss)/gain on financial assets carried at Fair Value Through Other Comprehensive Income (FVTOCI)		(27,837)	40,818
(ii) Income tax relating to items that will be reclassified to profit or loss		7,006	(10,274)
Total other comprehensive income		(20,779)	30,522
Total comprehensive income		2,436	57,535
Earnings per equity share (face value Rs.10 each)	33		
- Basic (in Rs.)		4.94	5.75
- Diluted (in Rs.)		4.94	5.75

The notes referred to above form an integral part of these standalone 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

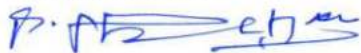

G.K. Subramaniam
Partner


Dheeraj G Hinduja
Chairman
DIN No : 00133410


S Nagarajan
Executive Vice Chairman
DIN No : 00009236


Sachin Pillai
Managing Director & CEO
DIN No : 06400793


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



P. Shankar Raman
Partner
Place : Chennai
Date : 17 May 2022




Kishore Kumar Lodha
Chief Financial Officer


B Shanmugasundaram
Company Secretary
Membership No: F5949





HINDUJA LEYLAND FINANCE LIMITED
Standalone Statement of cash flow for the year ended 31 March 2022

	INR In Lakh	
	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from operating activities		
Net profit before tax	31,284	35,155
Adjustments for:		
Depreciation and amortization expense	1,588	1,859
Profit on disposal of property, plant and equipment(PPE)	(74)	(40)
Net loss/(gain) on fair value changes/disposal of investment	805	(3,542)
Finance costs	1,33,699	1,42,693
Interest income	(2,41,109)	(2,51,477)
Provision for expected credit loss and amounts written off	66,735	70,618
Impairment loss on other receivables	3,690	2,991
Share based payment expense	159	336
Operating cash flow before working capital changes	(3,223)	(1,407)
Adjustments for (Increase) / Decrease in operating assets:		
Other receivables	-	
Loans	52,272	(1,30,794)
Other non- financial assets	250	(2,807)
Other financial assets	(47,437)	(16,617)
Adjustments for Increase / (Decrease) in operating liabilities:		
Trade payables	1,406	(235)
Other financial liabilities	(5,259)	(2,854)
Other non financial liabilities	401	176
Net cash used in operations	(1,590)	(1,54,538)
Finance cost	(1,32,001)	(1,44,614)
Interest income	2,39,697	2,49,443
Taxes paid (net)	(7,859)	(2,931)
Net cash generated from/(used in) operating activities (A)	98,246	(52,640)
B. Cash flow from investing activities		
Investment in pass through securities and security receipts (net)	3,340	7,678
Investment in redeemable non-convertible debentures (net)	(2,288)	368
Investment in equity shares of subsidiary companies	(7,754)	(2,500)
Bank deposits (having original maturity of more than three months)	1,713	9,025
Purchase of fixed assets including capital work-in-progress	(110)	(3,986)
Interest on fixed deposits	224	1,516
Net cash used in investing activities (B)	(4,875)	12,101
C. Cash flow from financing activities		
Proceeds from issue of equity shares including securities premium (net)	48	15
Proceeds from borrowings	5,91,809	6,16,408
Repayments of borrowings	(6,76,226)	(6,14,697)
Proceeds from working capital loan / cash credit and commercial paper (net)	(8,645)	37,790
Payments of Lease liability	(1,416)	(1,018)
Net cash (used in)/generated from financing activities (C)	(94,430)	38,498
Net decrease in cash and cash equivalents (A+B+C)	(1,059)	(2,041)
Cash and cash equivalents at the beginning of the year	80,838	82,879
Cash and cash equivalents at the end of the year	79,779	80,838





HINDUJA LEYLAND FINANCE LIMITED
Standalone Statement of cash flow for the year ended 31 March 2022

	Note	INR In Lakh	
		As at 31 Mar 2022	As at 31 Mar 2021
Components of cash and cash equivalents	5		
Cash and cheques on hand		20,827	27,413
Balances with banks		58,952	53,425
		<u>79,779</u>	<u>80,838</u>

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

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

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

G.K. Subramaniam
Partner

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

P Shankar Raman
Partner

Place : Chennai
Date : 17 May 2022

Dheeraj G Hinduja
Chairman
DIN No : 00133410

S Nagarajan
Executive Vice Chairman
DIN No : 00009236

Sachin Pillai
Managing Director & CEO
DIN No : 06400793

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949





HINDUJA LEYLAND FINANCE LIMITED
Statement of changes in equity for the year ended 31 March 2022

A Equity share capital

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


B Other equity	Reserves and Surplus				Other items of other comprehensive income		Total
	Statutory reserve w/s 45-IC of The Reserve Bank of India Act, 1934	Securities premium	Other reserves - Employee stock option outstanding	Retained earnings	Remeasurement of defined benefit plans	Fair value (loss)/gain on financial assets	
Balance as at 1 April 2020	29,255	96,247	293	1,06,178	(23)	45,710	2,77,660
Share based expenses	-	-	336	-	-	-	336
Premium on issue of share capital	-	12	-	-	-	-	12
Profit for the year	-	-	-	27,013	-	-	27,013
Transfer to / from reserve	5,403	397	(397)	(5,403)	-	-	-
Other comprehensive income (net of tax)	-	-	-	-	(22)	30,544	30,522
Balance as at 31 March 2021	34,658	96,656	232	1,27,788	(45)	76,254	3,35,543
Share based expenses	-	-	159	-	-	-	159
Premium on issue of share capital	-	37	-	-	-	-	37
Profit for the year	-	-	-	23,215	-	-	23,215
Transfer to / from reserve	4,643	13	(13)	(4,643)	-	-	-
Other comprehensive income (net of tax)	-	-	-	-	52	(20,831)	(20,779)
Balance as at 31 March 2022	39,301	96,706	378	1,46,360	7	55,423	3,38,175


The notes referred to above form an integral part of these standalone 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

for Suresh Surana & Associates LLP
Chartered Accountants


P Shankar Raman
Partner


Kishore Kumar Lodha
Chief Financial Officer


B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Chennai
Date : 17 May 2022



INDEPENDENT AUDITORS' REPORT

**To The Members of Hinduja Leyland Finance Limited
Report on the Audit of the Standalone Financial Statements**

Opinion

We have audited the accompanying standalone financial statements of **Hinduja Leyland Finance Limited** (the "Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at 31st March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Auditor's Responsibility for the Audit of the Standalone financial statements section of our report. We are independent of the Company 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 standalone 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 standalone financial statements.

Emphasis of Matter

We draw attention to Note 47 to the standalone financial statements which describes the potential impact of the COVID-19 pandemic on the Company's standalone financial statements and particularly the impairment provisions which 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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	
Key Audit Matters	Auditor's Response
<p>1. Impairment of Financial Assets 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 Company'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>During the year, the Company 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>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>The aforesaid involves significant management estimates/ judgements and hence identified as Key Audit Matter.</p>	<p>Principal audit procedures performed: 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>These procedures included, but not limited, to the following:</p> <ul style="list-style-type: none"> • 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 Company. • We obtained an understanding of the model adopted by the Company 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. • 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. • 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. • 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. • 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 Company's portfolio, risk profile, credit risk

	<p>management practices and the macroeconomic environment.</p> <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 Company's assets.</p> <p>The valuation of the Company'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 <ul 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.

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Information Other than the standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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, 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.

Management's Responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company 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 Company 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company'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 the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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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 standalone 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 Company 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

We communicate with those charged with governance 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.

Deloitte Haskins & Sells

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone 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 and taken on record by the Board of Directors, none of the directors 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditors' 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 Company 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 Auditors' 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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 38 to standalone financial statements)

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- ii. The Company did not have any long-term contracts including derivative contracts, as at the year-end for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 21109839AAAAGU1863

MUMBAI, June 3, 2021

Deloitte Haskins & Sells

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT (Referred to in paragraph 1(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 Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Hinduja Leyland Finance Limited** ("the Company") as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 auditor's 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the criteria for internal financial control over financial reporting established by the Company 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: 21109839AAAAGU1863

MUMBAI, June 3, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of fixed assets
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular programme of physical verification of its fixed assets and accordingly all the fixed assets are verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) With respect to immovable property of land which is freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deed of such immovable property is held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the company does not have inventory. Accordingly, the provisions of Clause 3(ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any deposit during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in regard to the Company.
- (vi) According to the information and explanations given to us, the Company is not required to maintain cost records under sub-section (1) of Section 148 of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax and applicable cess applicable to it to the appropriate authorities.

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- b) There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax and applicable cess in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.
- c) Details of dues of Value Added Tax which have not been deposited as on March 31, 2021 on account of disputes are given below.

Name of Statute	Nature of Dues	Forum where the dispute is pending	Period to which amount relates	Amount Involved (Rs.in Lakhs)	Amount unpaid (Rs. in lakhs)
Rajasthan VAT Act, 2003	Value Added Tax	High Court of Judicature at Rajasthan	2011-12 to 2014-15	40.57	40.57
Odisha VAT Act, 2004	Value Added Tax	High Court of Judicature at Orissa	2012 - 13	0.39	0.39
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	High Court of Judicature at Hyderabad	2011 - 12	17.55	17.55
Karnataka VAT Act, 2003	Value Added Tax	High Court of Judicature at Bangalore, Karnataka	2012-13 to 2016-17	121.16	121.16

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks or dues to debenture holders. The Company has not taken loans or borrowings from government and financial institutions.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Further, in respect of moneys borrowed through term loans or debt securities, in our opinion and according to information and explanation given to us, the Company has utilised the money for the purpose for which they were borrowed, other than temporary deployment pending application of proceeds.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

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- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made private placement of non-convertible debentures during the year under review.

In respect of the above issue, we further report that:

- a) the requirement of Section 42 of the Act, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with the directors and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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



G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 21109839AAAAGU1863

MUMBAI, June 3, 2021



HINDUJA LEYLAND FINANCE LIMITED
Standalone 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	5	80,838	82,879
Bank balance other than cash and cash equivalents	6	5,585	14,610
Loans	7	19,25,150	18,24,156
Investments	8	98,707	77,684
Other financial assets	9	59,436	58,880
		21,69,716	20,58,209
Non-financial assets			
Current tax assets (net)		5,639	7,130
Property, plant and equipment	10	8,429	4,969
Capital work-in-progress		38	116
Other intangible assets	10A	72	59
Right of use assets	10B	2,632	2,650
Other non-financial assets	11	5,736	2,929
		22,546	17,853
Total Assets		21,92,262	20,76,062
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities:			
Payables			
Trade payables	12	-	-
(i) dues of micro enterprises and small enterprises		-	-
(ii) dues other than micro enterprises and small enterprises		1,722	1,957
Debt securities	13	1,31,803	88,300
Borrowings (other than debt securities)	14	14,73,354	14,78,793
Deposits	15	162	152
Subordinated liabilities	16	1,35,163	1,31,588
Other financial liabilities	17	44,889	42,171
		17,87,093	17,42,971
Non-financial liabilities:			
Provisions	18	386	291
Deferred tax liabilities (net)	32	21,705	7,722
Other non-financial liabilities	19	557	443
		22,648	8,456
EQUITY			
Equity share capital	20	46,978	46,975
Other equity	21	3,35,543	2,77,660
		3,82,521	3,24,635
Total Liabilities and Equity		21,92,262	20,76,062

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

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

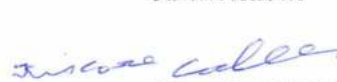

G.K. Subramaniam
Partner


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 : 00059236


Sachin Pillai
Managing Director & CEO
DIN No : 06400793


Kishore Kumar Lodha
Chief Financial Officer


B. Shannagasundaram
Company Secretary
Membership No: F5949

Place: Mumbai
Date: 03 June 2021

Place: Chennai
Date: 03 June 2021





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

Particulars	Note No.	INR In Lakh	
		Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations			
Interest income	22	2,49,277	2,67,866
Fees and commission income	23	3,747	5,315
Net gain on fair value changes		3,542	-
Net gain on derecognition of financial instruments	24	18,716	18,751
Total revenue from operations		2,75,282	2,91,932
Other income	25	2,200	816
Total revenue		2,77,482	2,92,748
Expenses			
Finance costs	26	1,42,693	1,55,397
Fees and commission expense	27	3,778	8,722
Impairment on financial assets	28	73,609	61,687
Employee benefits expenses	29	13,977	13,083
Depreciation and amortization	30	1,859	1,052
Others expenses	31	6,411	8,904
Total expenses		2,42,327	2,48,845
Profit before tax		35,155	43,903
Tax expense:			
Current tax		10,868	11,157
Deferred tax	32	(2,103)	3,549
Tax pertaining to earlier years		(623)	-
Total Taxes		8,142	14,706
Net profit for the year		27,013	29,197
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(33)	(76)
(ii) Income tax relating to items that will not be reclassified to profit or loss		11	(70)
(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		30,522	23,010
Total comprehensive income		57,535	52,207
Earnings per equity share (face value Rs.10 each)	33		
- Basic (in Rs.)		5.75	6.22
- Diluted (in Rs.)		5.75	6.21


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

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


G.K. Subramaniam

Partner


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
Company Secretary
Membership No: F5949

Place : Mumbai
Date : 03 June 2021

Place : Chennai
Date : 03 June 2021





HINDUJA LEYLAND FINANCE LIMITED
Cash Flow Statement for the year ended 31 March 2021

INR In Lakh

	Year ended 31 Mar 2021	Year ended 31 Mar 2020
A. Cash flow from operating activities		
Net profit before tax	35,155	43,903
Adjustments for:		
Depreciation and amortization	1,859	1,052
Net gain / loss on fair value changes	-	-
Provision for employee benefits	62	(2)
Provision for expected credit loss and amounts written off	70,618	55,502
Impairment loss on other receivables	2,991	2,151
Share based payment expense	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	1,13,159	1,12,562
Adjustments for (Increase) / Decrease in operating assets:		
Other receivables	(2,991)	(9,060)
Loans	(1,30,794)	(1,11,046)
Other non- financial assets	(2,807)	(1,372)
Other financial assets	(536)	46,327
Adjustments for Increase / (Decrease) in operating liabilities:		
Trade payables	(235)	1,643
Other financial liabilities	2,718	(2,693)
Other non financial liabilities	114	(199)
Net cash (used in)/generated from operations	(21,392)	36,162
Taxes paid (net)	(2,931)	(11,073)
Net cash (used in)/generated from operating activities (A)	(24,323)	25,089
B. Cash flow from investing activities		
Investment in pass through securities (net)	(18,891)	24,146
Investment in redeemable non-convertible debentures (net)	368	32,040
Investment in equity shares of subsidiary company	(2,500)	(4,000)
Bank deposits (having original maturity of more than three months)	9,025	(2,770)
Purchase of fixed assets including capital work-in-progress	(5,236)	(3,915)
Net cash (used in) investing activities (B)	(17,234)	45,501
C. Cash flow from financing activities		
Proceeds from issue of equity shares including securities premium (net)	15	44
Proceeds from borrowings	6,16,408	4,79,800
Repayments of borrowings	(6,14,697)	(4,93,957)
Proceeds from working capital loan / cash credit and commercial paper (net)	37,790	2,175
Net cash from financing activities (C)	39,516	(11,938)
Net increase in cash and cash equivalents (A+B+C)	(2,041)	58,652
Cash and cash equivalents at the beginning of the year	82,879	24,227
Cash and cash equivalents at the end of the year	80,838	82,879



Page



**The Board of Directors
Hinduja Leyland Finance Limited**

No. 27A, Developed Industrial Estate,
Guindy,
Chennai – 600032

Independent Auditor's report

1. The report is issued in accordance with the terms of our engagement letter dated July 19, 2019.
2. We, Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 008072S), have examined the audited books of account as at and for the year ended March 31, 2020 and other relevant records and documents maintained by **Hinduja Leyland Finance Limited** (the "Company") for the purpose of certifying the accompanying Statement of information as at March 31, 2020 (the "Statement"), prepared by the Management of the Company pursuant to the specification laid down in Annex 1 of the Master Direction DNBS.PPD.02/66.15.001/2016-17 dated 29th September, 2016, issued by the Reserve Bank of India (RBI).

Management's Responsibility

3. The preparation of the Statement is the responsibility of the Management of **Hinduja Leyland Finance Limited** (the "Company") including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management of the Company is also responsible for the adherence with the Master Direction DNBS.PPD.02/66.15.001/2016-17 dated 29th September, 2016, issued by the Reserve Bank of India (RBI) in the preparation of the Statement.

Auditor's Responsibility

5. Pursuant to the requirement of Master Direction DNBS.PPD.02/66.15.001/2016-17 dated 29th September, 2016, issued by the Reserve Bank of India (RBI) our responsibility is to provide a reasonable assurance whether the particulars contained in the aforesaid Statement are in agreement with the audited books of account, other relevant records and documents maintained by the Company for the year ended 31st March, 2020.
6. The financial statements as of and for the year ended 31st March, 2020 have been audited by us, on which we issued an unmodified audit opinion vide our report dated 20th June, 2020 (which includes an emphasis of matter paragraph in respect of potential impact of the COVID-19 pandemic as detailed in note 49 of the financial statements). Our audit of these financial statements were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Those Standards require that we plan and

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Deloitte Haskins & Sells

perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act 2013. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

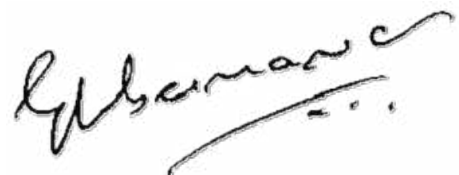
Opinion

9. Based on our examination, as above, and the information, explanations and representations provided to us by the Management of the Company, we are of the opinion, that the particulars furnished by the Company in the said Statement are in agreement with the audited books of account, other relevant records and documents maintained by the Company for the year ended 31st March, 2020.

Restriction on Use

10. This report is addressed to and provided to the Board of Directors of the Company at the request of the Company for submission to RBI pursuant to Master Direction DNBS.PPD.02/66.15.001/2016-17 dated 29th September, 2016, issued by the Reserve Bank of India (RBI) and should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



G. K. Subramaniam

Partner

Membership No. 109839

UDIN: 20109839AAAANY6591

Mumbai, July 25, 2020

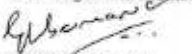


HINDUJA LEYLAND FINANCE LIMITED
Standalone Balance Sheet as at 31 March 2020

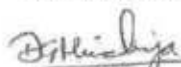
Particulars	Note No.	INR In Lakh	
		As at 31 March 2020	As at 31 March 2019
ASSETS			
Financial assets			
Cash and cash equivalents	5	82,879	24,227
Bank balance other than cash and cash equivalents	6	14,610	11,840
Receivables	7	-	-
(i) Trade receivables		-	-
(ii) Other receivables		22,540	15,631
Loans	8	17,70,708	16,88,684
Investments	9	77,684	1,29,870
Other financial assets	10	89,788	1,36,115
		20,58,209	20,06,367
Non-financial assets			
Current tax assets (net)		7,130	7,214
Property, plant and equipment	11	4,969	4,901
Capital work-in-progress		116	-
Other intangible assets	11A	59	30
Right of use assets	11B	2,650	-
Other non-financial assets	12	2,929	1,557
		17,853	13,702
Total Assets		20,76,062	20,20,069
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables	13	-	-
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,957	314
Debt securities	14	88,300	2,05,615
Borrowings (other than debt securities)	15	14,78,793	13,51,684
Deposits	16	162	162
Subordinated liabilities	17	1,31,588	1,43,408
Other financial liabilities	18	42,171	44,864
		17,42,971	17,46,047
Non-financial liabilities			
Provisions	19	291	217
Deferred tax liabilities (net)	33	7,722	779
Other non-financial liabilities	20	443	642
		8,456	1,638
EQUITY			
Equity share capital	21	46,975	46,967
Other equity	22	2,77,660	2,25,417
		3,24,635	2,72,384
Total Liabilities and Equity		20,76,062	20,20,069

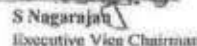
The notes referred to above form an integral part of these standalone financial statements

As per our report of even date
for Deloitte Haskins & Sells
Chartered Accountants
Firm's registration number: 008072S



G.K. Subramaniam
Partner
Membership No: 109839

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 Latha
Chief Financial Officer


B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Mumbai
Date : 20 June 2020

Place : Chennai
Date : 20 June 2020



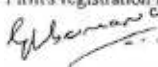
HINDUJA LEYLAND FINANCE LIMITED
Standalone Statement of Profit and Loss for the year ended 31 March 2020

INR In Lakh

Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations			
Interest income	23	2,67,866	2,24,285
Fees and commission income	24	5,315	4,768
Net gain on derecognition of financial instruments	25	18,751	16,816
Other income	26	816	10,195
Total revenue from operations		2,92,748	2,56,064
Expenses			
Finance costs	27	1,55,397	1,32,123
Fees and commission expense	28	8,722	6,229
Impairment on financial assets	29	61,687	56,696
Employee benefits expenses	30	13,083	10,390
Depreciation and amortization	31	1,052	662
Others expenses	32	8,904	7,679
Total expenses		2,48,845	2,13,779
Profit before tax		43,903	42,285
Tax expense:			
Current tax		11,157	13,017
Deferred tax	33	3,549	1,704
		14,706	14,721
Net profit for the year		29,197	27,564
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(76)	145
(ii) Income tax relating to items that will not be reclassified to profit or loss		(70)	(50)
(B) (i) Items that will be reclassified to profit or loss			
Gain on fair valuation of loans		26,482	34,674
(ii) Income tax relating to items that will be reclassified to profit or loss		(3,326)	(12,120)
Total other comprehensive income		23,010	22,649
Total comprehensive income		52,207	50,213
Earnings per equity share (face value Rs.10 each)			
- Basic (in Rs.)	34	6.22	6.01
- Diluted (in Rs.)		6.21	6.01

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

As per our report of even date
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's registration number: 008072S


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DIN No : 00133410


Kishore Kumar Lodha
Chief Financial Officer


S. Nagarajan
Executive Vice Chairman
DIN No : 00009236


B. Shanmugasundaram
Company Secretary
Membership No: F5949


Sachin Pillai
Managing Director & CEO
DIN No : 06400793

Place : Mumbai
Date : 20 June 2020

Place : Chennai
Date : 20 June 2020



HINDUJA LEYLAND FINANCE LIMITED
Standalone Cash flow statement for the year ended 31 March 2020

	INR In Lakh	
	Year ended 31 Mar 2020	Year ended 31 Mar 2019
A. Cash flow from operating activities		
Net profit before tax	43,903	42,285
Adjustments for:		
Depreciation and amortization	1,052	662
Provision for employee benefits	(2)	(27)
Provision for expected credit loss and amounts written off	55,502	55,929
Impairment loss on other receivables	2,151	767
Share based payment expense	-	105
Amortisation of discount on commercial papers	7,788	8,013
Amortisation of ancillary costs relating to borrowings	2,168	1,295
Operating cash flow before working capital changes	1,12,562	1,09,029
Adjustments for (Increase) / Decrease in operating assets:		
Other receivables	(9,060)	(9,956)
Loans	(1,11,046)	(4,07,213)
Other non-financial assets	(1,372)	(578)
Other financial assets	46,327	(17,685)
Adjustments for Increase / (Decrease) in operating liabilities:		
Trade payables	1,643	223
Other financial liabilities	(2,693)	7,031
Other non financial liabilities	(199)	20
Net cash (used in) operations	36,162	(3,19,129)
Taxes paid (net)	(11,073)	(17,097)
Net cash (used in) operating activities (A)	25,089	(3,36,226)
B. Cash flow from investing activities		
Investment in pass through securities (net)	24,146	(39,300)
Investment in redeemable non-convertible debentures (net)	32,040	14,781
Investment in equity shares of subsidiary company	(4,000)	(3,000)
Bank deposits (having original maturity of more than three months)	(2,770)	3,432
Purchase of fixed assets including capital work-in-progress and right of use assets	(3,915)	(814)
Net cash (used in) investing activities (B)	45,501	(24,931)
C. Cash flow from financing activities		
Proceeds from issue of equity shares including securities premium (net)	44	20,044
Proceeds from borrowings	4,79,800	6,85,480
Repayments of borrowings	(4,93,957)	(3,77,125)
Proceeds from working capital loan / cash credit and commercial paper (net)	2,175	44,406
Net cash from financing activities (C)	(11,938)	3,72,805
Net increase in cash and cash equivalents (A+B+C)	58,652	11,648
Cash and cash equivalents at the beginning of the year	24,227	12,579
Cash and cash equivalents at the end of the year	82,879	24,227





HINDUJA LEYLAND FINANCE LIMITED
Standalone Cash flow statement for the year ended 31 March 2020

	Note	INR In Lakh	
		As at 31 Mar 2020	As at 31 Mar 2019
Components of cash and cash equivalents	5		
Cash and cheques on hand		5,981	10,035
Balances with banks		76,898	14,192
		<u>82,879</u>	<u>24,227</u>
Operational cash flows from interest and dividends			
Interest paid		1,59,686	1,28,420
Interest received		11,982	11,299

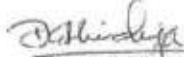
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As per our report of even date
for Deloitte Haskins & Sells
Chartered Accountants
Firm's registration number: 0080725


G.K. Subramaniam

Partner
Membership No: 109839

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 : 06408793



Kishore Kumar L. Odha
Chief Financial Officer



B Shanmugasundaram
Company Secretary
Membership No: P5949

Place : Mumbai
Date : 20 June 2020

Place : Chennai
Date : 20 June 2020



HINDUJA LEYLAND FINANCE LIMITED
Statement of changes in equity for the year ended 31 March 2020

A Equity share capital


Particulars	INR In Lakh	
	Number of shares	Amount
Balance as at 1 April 2018	45,64,37,968	45,644
Change in equity share capital during the year		
Add: Issued during the year	1,32,13,022	1,321
Balance as at 31 March 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

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 2018	17,903	77,490	188	60,769	28	1,56,378
Share based expenses	-	-	105	-	-	105
Premium on issue of share capital	-	18,721	-	-	-	18,721
Profit for the year	-	-	-	27,564	-	27,564
Transfer to / from reserve	2,513	-	-	(5,513)	-	0
Other comprehensive income (net of tax)	-	-	-	-	22,649	22,649
Balance as at 31 March 2019	23,416	96,211	293	82,820	22,677	2,25,417
Share based expenses	-	-	-	-	-	-
Premium on issue of share capital	-	36	-	-	-	36
Profit for the year	-	-	-	29,197	-	29,197
Transfer to / from reserve	5,839	-	-	(5,839)	-	-
Other comprehensive income (net of tax)	-	-	-	-	23,010	23,010
Balance as at 31 March 2020	29,255	96,247	293	1,06,178	45,687	2,77,659

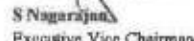
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Firm's registration number: 008072S



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DIN No : 00009236


Sachin Pillai
Managing Director & CEO
DIN No : 06400793


Kishore Kumar Lodha
Chief Financial Officer


B Shanmuganathan
Company Secretary
Membership No: F5949

Place : Mumbai
Date : 20 June 2020

Place : Chennai
Date : 20 June 2020

MARKET-LINKED DEBENTURE VALUATION

Issuer: Hinduja Leyland Finance Limited

Security Details:

Valuation as on 24 th Jan 2023										
Sr. No	ISIN Code	Issuer Name	Series	Reference Asset	Issue Date*	Maturity Date	Actual Residual Face Value per Debenture	Valuation price per Rs100 Face value	Valuation as of previous week	Latest conservative rating
1	INE146O07482	Hinduja Leyland Finance Limited	-	Last Traded (Closing) Price of 7.26 G-SEC 2032	27-Jan-2023	27-Jan-2026	Rs. 1,00,000	100.00	-	CARE PP MLD AA-Stable

**Issue date is deemed date of allotment*

DISCLAIMER

Market Linked Debenture Valuation provided by the Valuation Agent reflects the Valuation Agent's opinion on the value of the Market Linked Debenture on the valuation date and does not constitute an audit of the Issuer by the Valuation Agent. The Valuation is based on the information sought from and/or provided by the Issuer or obtained by the Valuation Agent from sources it considers reliable. The Valuation Agent does not guarantee the completeness or accuracy of the information on which the Valuation is based. The Valuation Agent specifically states that the Valuation is an indicative value of the Debenture on the valuation date and can be different from the actual realizable value of the Debenture. The Valuation does not comment on the market price of the Market Linked Debentures or suitability for a particular investor. The Valuation Agent is not responsible for any errors and especially states that it has no financial liability to the issuer / users / investors of the Valuation. In the event of early redemption/buy back/ any other premature exit, the investors may choose to contact the Issuer directly or through their intermediaries (through whom investments in the Specified MLDs were made) or, in the alternative, follow the procedure as set out in the relevant Offer Document.

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