Annual Report 2018 - 19

HINDUJA LEYLAND FINANCE

Lending... a helping hand

HINDUJA LEYLAND FINANCE

BOARD OF DIRECTORS

Mr. Dheeraj G Hinduja, *Chairman*

Mr. S Nagarajan, *Executive Vice Chairman*

Mr. Atul Kapur

Mr. R S Sharma

Mr. D Sarkar

Mr. Gopal Mahadevan

Mr. Sudhanshu Tripathi

Dr. Andreas Biagosch

Ms. Manju Agarwal

Mr. G S Sundararajan (w.e.f May 21, 2019)

KEY MANAGERIAL PERSONNEL

Mr. Sachin Pillai, *Chief Executive Officer*

Mr. Kishore Kumar Lodha, *Chief Financial Officer*

Mr. B. Shanmugasundaram, *Company Secretary*

REGISTERED OFFICE

No.1, Sardar Patel Road

Guindy, Chennai : 600032.

CORPORATE IDENTITY NUMBER

U65993TN2008PLC069837

CORPORATE OFFICE

Plot No. 27A, Developed Industrial Estate

Guindy, Chennai - 600032.

Phone : 044-39252555

E-MAIL & WEBSITE

compliance@hindujaleylandfinance.com

investorrelations@hindujaleylandfinance.com

www.hindujaleylandfinance.com

AUDITORS

M/s. B S R & Co. LLP

Chartered Accountants

KRM Tower, No.1, Harrington Road,

Chetpet, Chennai - 600031.

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17, R Kamani Marg,

Ballard Estate, Mumbai - 400001.

BANKERS

Allahabad Bank
Axis Bank Limited
Bank of Baroda
Canara Bank
Central Bank of India
Citibank
Corporation Bank
CTBC Bank
DCB Bank Limited
Deutsche Bank AG
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Indian Bank
Kotak Mahindra Bank Limited
Oriental Bank of Commerce
Punjab National Bank
South Indian Bank
Standard Chartered Bank
State Bank of India
Syndicate Bank
The Federal Bank Limited
State Bank of Mauritius
Union Bank of India
United Bank of India
Vijaya Bank

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Financial Highlights at a Glance

(₹ in Crores)

Particulars	2014-15*	2015-16*	2016-17*	2017-18*	2018-19**
Disbursements	5,125	7,075	9,933	13,032	15,120
Assets under Management	6,550	10,001	14,070	19,263	25,417
Revenue from Operations	814	1,146	1,486	1,954	2,561
Profit Before Tax	165	225	257	287	423
Profit After Tax	112	150	168	190	276
Fixed Assets	34	41	46	47	49
Shareholder's Funds	917	1,069	1,490	2,133	2,724
Net NPA	2.90%	2.76%	3.10%	2.96%	3.04%
Capital Adequacy Ratio	19.67%	16.19%	15.84%	17.15%	16.97%

* As per I-GAAP
** As per IND-AS

Board's Report

Your Directors have pleasure in presenting the Eleventh Annual Report of the Company, together with the audited financial statements of the Company, for the year ended 31st March, 2019:

Financial Results (₹ in Crores)

Particulars	2018-19 IND AS	2017-18 IND AS
Revenue from Operations	2,560.65	1,961.27
Less: Total Expenditure	2,137.79	1,684.50
Profit before exceptional items and tax	422.85	276.78
Exceptional Items	-	-
Profit Before Tax	422.85	276.78
Profit After Tax	275.64	182.04
Surplus / Shortfall brought forward	607.69	462.07
Amount available for appropriation	883.33	644.10
Appropriations have been made as under:		
Transfer to:		
- Statutory Reserve	55.13	36.41

Company's Performance

Your Company's net profit grew by 51.41% at ₹276 Crores over the previous year at ₹182 Crores and net worth of the Company stood at ₹2,724 Crores as of 31st March, 2019. Assets under management was at ₹25,417 Crores as against ₹19,263 Crores in FY 2017-18, registering a growth of 31.95%. During the year, your Company achieved a 17.56 % growth in disbursements at ₹15,321 Crores. (over previous year at ₹13,032 Crores). Standard assets constituted 96.96% of the total assets under management. Non performing assets after provisioning stood at 3.04%.

Your Company has presence in all the states covering over 1,550 locations.

Resource Mobilisation

Total Borrowings

Your Company's overall borrowings as on March 31, 2019 was ₹ 16,778 Crores as against ₹ 13,157 Crores as of 31st March, 2018. During the year, your Company availed term loan facilities of ₹ 3,483 (net) Crores from banks.

Non-Convertible Debentures

Your Company had issued secured redeemable Non-Convertible Debentures (NCDs) of ₹350 Crores on private placement basis. Your Company's NCDs have been listed on Wholesale Debt Market segment of Bombay Stock Exchange. These NCDs have been rated as AA- by CRISIL and CARE as of 31st March, 2019.

Commercial Paper

During the year, your Company raised ₹ 5,665 Crores of Commercial Papers (CPs). All the CPs were assigned A1+ by CRISIL and CARE and outstanding as of 31st March, 2019 is ₹ 1,129 Crores.

Subordinated Debt

During the year, your Company raised ₹ 250 Crores through issue of long-term unsecured nonconvertible subordinated debentures. These debenture issues were rated as AA- by ICRA, CARE, India Rating and CRISIL as of 31st March, 2019. In addition to the above, the Company has also borrowed during the year an amount of ₹ 75 Crores which will also form part of the Tier II capital.

Capital Adequacy Ratio

Capital adequacy ratio was at 16.97 % as at 31st March, 2019, as against statutory requirement of 15% for non-deposit accepting NBFCs.

Credit Ratings

Facility	Rating
Long term bank facilities	CARE AA- / CRISIL AA-
Non-convertible debentures	CARE AA- (Stable) / CRISIL AA- (Stable)
Commercial paper	CARE A1+ / CRISIL A1+
Subordinated debt	India Rating AA- / CARE AA-(Stable)/ ICRA AA-

Share Capital

During the year under review, as per the terms of letter of offer issued to the existing shareholders, your Company had allotted 1,32,33,022 equity shares at a face value of ₹10 per share as per the details below:

S. No.	Date of Allotment	No. of shares issued on Rights basis	Share Premium (INR)
1	December 31, 2018	66,17,672	INR 143 per equity share
2	March 26, 2019	64,33,850	INR 143 per equity share
	Total	**1,30,51,522**	

In addition to the above, your Company had allotted 1.81,500 equity shares under Employee Stock Option Scheme.

Dividend

In order to augment capital required for supporting growth of the Company, through retention of internal accruals, your Board of Directors have not recommended any dividend during the year.

Transfer to Statutory Reserves

During the year, ₹ 55.13 Crores were transferred to the Statutory Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934.

Deposits

Your Company is a Systemically Important Non-Deposit taking Non-Banking Finance Company (NBFC-ND-SI) and has not accepted any deposits during the year under review. The Board has also passed a resolution for non-acceptance of deposits from public.

Investment and Credit Company

Till February 21, 2019, your Company was categorized as an Asset Finance Company (AFC) under the RBI Directions.

The Reserve Bank of India vide its notification no. RBI/2018-19/130 DNBR (PD) CC. No.097/03.10.001/2018-19 dated 22nd February, 2019 has merged the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC - Investment and Credit Company (NBFC-ICC). As per said RBI notification, the changes has been done In order to provide NBFCs with greater operational flexibility, with a view to harmonise different categories of NBFCs into fewer ones and to carry out the same based on the principle of regulation by activity rather than regulation by entity, Accordingly, your company is now categorized as Investment and Credit Company.

Consolidated Financial Statements

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 ("the Act"), the Consolidated Financial Statements, drawn up in accordance with the applicable Accounting Standards, form part of this Report.

Subsidiary of Ashok Leyland Limited

Your Company is a subsidiary of Ashok Leyland Limited and the financial statements of the Company are consolidated with that of the holding company.

Performance of Subsidiary and Associate Company

A report on the performance of the subsidiary and associate company including the salient features of the financial statements of the subsidiary and associate company in Form AOC-I is attached and forms part of this Report (Annexure A).

Corporate Governance

Your Company has framed an internal Corporate Governance guidelines, in compliance with the Directions issued by RBI for NBFCs, in order to enable adoption of best practices and greater transparency in the business operations. A report on corporate governance is attached and forms part of this report as Annexure C. Chief Executive Officer and Chief Financial Officer have submitted a certificate to the Board regarding the financial statements as required.

Code of Conduct

The Board has laid down a Code of Conduct for all the board members and the senior management of the Company and the same has been posted on the Company's website.

Directors

Appointment

Mr. G S Sundarajan (DIN: 00361030) was appointed as the additional Director (Non-Executive Independent) with effect from May 21, 2019. It is proposed to seek the approval of shareholders at the ensuing Annual General Meeting for his appointment as Independent Director of the Company for a period of five years.

Reappointment

Mr. Sudhanshu Tripathi (DIN: 06431686), Non-Executive Director and Mr. Atul Kapur (DIN 01778935) retiring by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment.

Further, the term of appointment of Mr. R S Sharma (DIN: 00013208), Independent Director is getting completed on July 23, 2019. It is proposed to seek the approval of shareholders at the ensuing Annual General Meeting for the re-appointment of Mr. R. S Sharma as Independent Director of the Company for a further term of five years.

Resignation

Mr. R Sundararaman, (DIN: 00008172) Independent Director resigned from the office of directorship of the company effective from 22nd March, 2019 in view of Hinduja Group's policy of fixing the retirement age of directors at seventy-five. Ms. Bhumika Batra (DIN: 03502004) resigned from the Board with effect from June 05, 2018. The board places on record its deep appreciation for the significant contributions made by Mr. R Sundararaman and Ms. Bhumika Batra as members of the Board and its committees in which they were members during their receptive tenures.

Independent Directors

Your Company has received necessary declarations from Independent Directors of the Company, under Section 149(7) of the Act, stating that they meet the criteria of independence as laid down in Section 149(6) of the Act.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act read with the Rules made thereunder, the whole-time key managerial personnel of the Company are Mr. S. Nagarajan, Whole-time Director designated as Executive Vice Chairman, Mr. Sachin Pillai, Chief Executive Officer, Mr. Kishore Kumar Lodha, Chief Financial Officer and Mr. B Shanmugasundaram, Company Secretary.

Statutory Auditors

As per the provisions of Section 139 of the Act, the period of office of M/s. B S R & Co., LLP, (Registration No. 101248W/W-100022), Chartered Accountants, as Statutory Auditors of the Company will conclude from the close of the ensuing Annual General Meeting (AGM) of the Company. In view of the above, the Audit Committee and the Board of Directors of the Company have considered the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, ICAI Firm Registration Number 117366W/W – 100018) as the Statutory Auditors of the Company, subject to the approval of the shareholders. They have consented to the said appointment and confirmed that their appointment, if made, would be within the limits mentioned under the provisions of Section 141 of the Act and the Companies (Audit and Auditors) Rules, 2014.

The proposal for the appointment of above-mentioned auditors is being submitted as part of the AGM notice to the shareholders for approval for a consecutive term of 5 years.

The Auditors' Report of BSR & CO., LLP, Chartered Accountant for FY 2018-19 does not contain any qualification, reservation or adverse remarks. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Secretarial Audit

Pursuant to the provisions of the Act and the Rules framed thereunder, your Board of Directors have appointed M/s. G Ramachandran & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for FY 2018-19. The audit report is attached and forms part of this report and does not contain any qualification. (Annexure D).

Employee Stock Option Scheme

Pursuant to the approval accorded by the shareholders at the Annual General Meeting of the Company held in July 1, 2013, the Nomination and Remuneration Committee had formulated the Hinduja Employee Stock Option Plan 2013. (HSOP) under which 4,60,000 stock options were granted to the employees of the Company. As required under the provisions of the Act, read with Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014, the details of this Scheme as on 31st March, 2019 are being provided as an Annexure to this report. (Annexure F).

Directors' Responsibility Statement

To the best of our knowledge and belief and on the basis of the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Act:

a) in the preparation of the annual financial statements for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures.

b) for the financial year ended March 31, 2019, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit of the Company for the year ended 31st March, 2019.

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) the annual financial statements have been prepared on a going concern basis.

e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.

f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Extract of Annual Return

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT- 9 is annexed to this Report. (Annexure G).

Number of meetings of the Board

The Board met 7 (Seven) times during the financial year, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Act.

Remuneration Policy of the Company

The Company has in place a remuneration policy which is guided by the principles and objectives as enumerated in Section 178 of the Act. The said policy is enclosed as an Annexure to this report. (Annexure H).

Criteria for Board Nomination

The Nomination and Remuneration Committee is responsible for identifying persons for initial nomination as directors and evaluating incumbent directors for their continued service. The Committee has formulated a charter in terms of the provisions of the Act and RBI Directions applicable for non-banking finance companies, which inter alia, deals with the criteria for determining qualifications, positive attributes and independence of a director. These attributes shall be considered for nominating candidates for board positions / re-appointment of directors.

Policy on Board diversity

The Nomination and Remuneration Committee has devised a policy on board diversity which sets out the approach to diversity on the Board of the Company.

Related Party Transactions

All related party transactions that were entered into during the financial year were in the ordinary course of business and on an arm's length basis. There were no material significant transactions with related parties, i.e. pecuniary transactions or relationships between the Company, promoters, directors and the management during the financial year 2018-19 that may have potential conflict with the interest of the Company at large. Suitable disclosures as required in compliance with accounting standards with related parties are disclosed in Note 39 of the notes forming part of the financial statements in the annual report.

Material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the Report

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (31st March,

2019) and the date of the Report (22nd May, 2019).

All the transactions entered into by the Company with any of the related parties during the year were in the ordinary course of business and on an arm's length basis. Form AOC-2, as required under Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, is annexed as part of this Board's Report.

Risk Management Policy

Your Company, being in the business of financing of commercial vehicles, three wheelers, two wheelers, tractors, loans against property and equipment in the retail segment, has to manage various risks. These risks include credit risk, liquidity risk, interest rate risk and operational risk.

Risk assessment reports are periodically placed before the Risk Management Committee and the Asset Liability Management Committee for reviewing and monitoring these risks at periodic intervals.

The Company manages credit risk through stringent credit norms aided by a robust in-house developed IT infrastructure. Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles. Operational risks arising from inadequate or failed internal processes, people and systems or from external events are adequately addressed by the internal control systems and are continuously reviewed and monitored. Standard Operating Procedures are well documented to ensure enhanced control over processes and regulatory compliance.

Internal Control Systems and their adequacy

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the internal audit function directly reports to the Audit Committee of the Board. The Company continues to strengthen its internal audit function by investing in domain specialists to increase effectiveness of controls.

The Internal Audit department monitors and evaluates the adequacy of all internal controls and processes, and ensures strict adherence to clearly laid down processes and procedures as well as to the prescribed regulatory and legal framework. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. All significant audit observations and follow-up actions thereon are reported to the Audit Committee

Internal Audit

As part of the effort to evaluate the effectiveness of the internal control systems, your Company's internal audit function reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

Corporate Social Responsibility initiatives

Pursuant to Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company at the Board Meeting held on 16th March, 2015 approved a policy on CSR and the policy is hosted on the website of the Company.

This being the fifth year of CSR requirement, we have, so far, put in place necessary measures and processes of identifying worthy causes as well as to monitor their progress with a view to ensuring that they are consistent with our policy, serving large public good and are sustainable over an extended period. Particulars of CSR activities and details of amount spent during the financial year is annexed to this report. The details relating to the composition of CSR Committee forms part of corporate governance report, enclosed as an Annexure to this report. (Annexure I).

Board Evaluation

Pursuant to provisions of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance, and that of its committees, Chairperson and Directors facilitated by an Independent external agency M/s. AON Hewitt, India to ensure objectivity and equality based on above criteria. The process involved evaluation of the effectiveness of Board, Committees and Individual Directors and Independent feedback from all Board Members. The overall performance evaluation exercise was completed to the satisfaction of Board. Criteria for Evaluation of Directors is enclosed as Annexure E to this report.

Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors of the Company had approved the Policy on Vigil Mechanism/Whistle Blower to deal with instance of fraud and mismanagement, if any and the same was hosted on the website of the Company.

This Policy inter-alia provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year from a Director or an Employee.

Secretarial Standards

During the financial year 2018-19, the company has complied with the applicable Secretarial Standards.

Sexual Harassment Policy

Your Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. There were no complaints received during the year.

Significant and material orders

There has been no penalty imposed by RBI or other Regulators during the year ended 31st March 2019.

Particulars of Employees and Related disclosures

In accordance with the provisions of Section 136(1) of the Act, the Board's Report is being sent to all the members of the Company excluding the statement prescribed under the provisions of Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection at the Registered Office / Corporate Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The company has no activity relating to conservation of energy or technology absorption. During the year under review, there were no foreign exchange earnings.

Management Discussion and Analysis

The Commercial Vehicle (CV) industry in India grew by 18% y-o-y in FY2019 primarily led by 19%

y-o-y growth in Light Commercial Vehicle (LCV) segment, and 15% growth in Medium & Heavy Commercial Vehicle (M&HCV) segment. The first 7 months of the financial year, till October 2018 saw the M&HCV segment grow significantly due to replacement demand, higher economic activities and government spend on the infrastructure sector. From November 2018, the segment experienced a slowdown due to the liquidity crisis, implementation of revised axle load norms and uncertainty due to general elections. However, despite the negative growth rates in the last few months, M&HCV sales grew by 15% y-o-y during the year. In FY20 specifically the second half of the financial year, there is expected to be a spurt in M&HCV sales led by pre-buying ahead of BS VI.

Three-wheeler sales grew by 10% y-o-y in FY2019. The growth slowed down in the last few months of the financial year due to permits closure by some state governments, liquidity crisis and manufacturers going slow on dispatches to correct high inventory levels at dealerships. The SCV and three-wheeler industry's growth in FY2020 is expected to be led by increasing last mile connectivity, growth in e-commerce industry, increasing infrastructure spending and rising demand for cheap public conveyance.

Two-wheeler sales grew by 5% y-o-y in FY2019. The subdued growth during the year was primarily due to increased insurance premiums, rising fuel prices, liquidity related issues, etc. The growth was mainly led by growth in motorcycles segment. The scooter sub-segment within the two-wheeler segment experienced a slight drop in sales over the year. There is a possibility of an uptick in two-wheelers in the next financial year FY20 as interim budget announcement of tax rebate for individuals of income up to ₹ 5 lakh and assured income to farmers should bring in positive customer sentiment as potential customers sitting on the fence will have increased disposable income. The key risks being the lower sales due to general elections and the lower than normal monsoon season.

The Loan Against Property (LAP) business grew significantly during the year which demonstrated that credit demand for LAP product remained strong. Low interest rates, favourable real estate prices, increasing demand for small ticket size loans and increasing customer awareness of the product are expected to be the key drivers for the segment going forward.

On an overall industry level, with the liquidity crisis of NBFCs and resultant slowdown behind us, disbursements are expected to pick up. Further, with the RBI cutting the lending rates by 50 bps in February-April 2019, demand is expected to improve. Demand will also be impacted by monsoon expectations, fuel prices and interest rate movements.

Acknowledgement

Your Directors wish to place on record appreciation for the whole-hearted and cooperation your Company has received from all its Bankers, Financial Institutions, Ashok Leyland Limited and all dealers. Your Directors also wish to extend their sincere thanks to all the customers and shareholders for their continued support. Your Directors further wish to place on record their appreciation for the unstinted co-operation and support extended by all the employees in achieving the performance of your Company.

On behalf of the Board of Directors

Place : Chennai **Dheeraj G Hinduja**

Date : 22nd May, 2019 ***Chairman***

Annexure A

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013,
read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries/Associate Companies

Part "A": Subsidiaries

(₹ in Lakhs except otherwise stated)

S.No.	Particulars	Details
1)	Name of the subsidiary	Hinduja Housing Finance Limited
2)	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3)	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4)	Share capital	15,000 (15,00,00,000 Equity Shares of ₹10/- each)
5)	Reserves & surplus	4,229.51
6)	Total assets	130,178.28
7)	Total Liabilities	130,178.28
8)	Investments	5,292.86
9)	Turnover	14,022.70
10)	Profit before taxation	3,531.42
11)	Provision for taxation	1,030.90
12)	Profit after taxation	2,500.52
13)	Proposed Dividend	Nil
14)	% of shareholding	100%

Notes:

1. Names of subsidiaries which are yet to commence operations – Hinduja Insurance Broking and Advisory Services Limited.
2. Names of subsidiaries which have been liquidated or sold during the year – Nil

Part "B": Associates

(₹ in Lakhs except otherwise stated)

S.No.	Particulars	Details
1	Name of the associate company	HLF Services Limited
2	Latest audited Balance Sheet Date	31st March, 2019
3	Shares of Associate/Joint Ventures held by the company on the year end	
	Number of shares	22,950 Equity Shares of ₹ 10/- each
	Amount of Investment in Associates/Joint Venture	₹2,29,500/
	Extend of Holding%	45.90%
4	Description of how there is significant influence	By virtue of Company holding 45.90% of the share capital of M/s. HLF Services Limited
5	Reason why the associate/joint venture is not	NA
6	Net worth attributable to shareholding as per latest audited balance sheet	202.96
7	Profit/(Loss)for the year	148.87
8	i. Considered in Consolidation	148.87
9	ii. Not Considered in Consolidation	-

1. Names of associates which are yet to commence operations - Nil
2. Names of associates which have been liquidated or sold during the year – Nil

On behalf of the Board of Directors

Place : Chennai
Date : 22nd May, 2019

Dheeraj G Hinduja
Chairman

Annexure B

Form No. AOC-2

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

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

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

   All transactions entered into by the Company during the year with related parties were on an arm's length basis.

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

   The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

Annexure C

CORPORATE GOVERNANCE REPORT

RBI Guidelines on Corporate Governance

In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has stipulated all NBFCs to frame an internal guideline on Corporate Governance. In pursuance of the aforesaid guidelines, the Company has framed an internal guideline on Corporate Governance.

Company's Philosophy on Corporate Governance

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. As part of the Hinduja Group and as a subsidiary of Ashok Leyland Limited, the Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices.

Board of Directors

As at March 31, 2019, your Company’s Board consists of 10 (Ten) members including the Chairman. The composition of the Board is in conformity with the provisions of Companies Act, 2013 and Corporate Governance Directions issued by Reserve Bank of India.

Composition and category of Directors

Name of the Director	Category	Designation
Mr. Dheeraj G Hinduja	Non-Executive	Director (Chairman)
Mr. S Nagarajan	Executive	Executive Vice Chairman
Mr. Gopal Mahadevan	Non-Executive	Director
Mr. Sudhanshu Tripathi	Non-Executive	Director
Mr. Atul Kapur	Non-Executive	Nominee Director
Mr. R Sundararaman*	Non-Executive	Independent Director
Mr. R S Sharma	Non-Executive	Independent Director
Ms. Manju Agarwal	Non-Executive	Independent Director
Mr. D Sarkar	Non-Executive	Independent Director
Dr. Andreas H Biagosch	Non-Executive	Independent Director
Ms. Bhumika Batra*	Non-Executive	Independent Director

* Mr. R Sundararaman, Non-Executive Independent Director resigned w.e.f 22nd March, 2019.

* Ms. Bhumika Batra, Non-Executive Independent Director resigned w.e.f 5th June, 2018.

Meetings of the Board

The meetings of the Board of Directors shall be held at least four times a year, with a maximum time-gap of four months between any two consecutive meetings. During the year, the Board met 7 (Seven) times on the following dates;

FY 2018-19	Meeting date
April 2018 – June 2018 (Q1)	May 16, 2018 June 05, 2018
July 2018 – September 2018 (Q2)	July 19, 2018
October 2018 – December 2018 (Q3)	November 14, 2018 December 11, 2018
January 2019 – March 2019 (Q4)	February 12, 2019 March 22, 2019

The necessary quorum was present at all the meetings. In compliance with the applicable provisions of the Act and the Rules made thereunder, the Company facilitates the participation of the Directors in Board / Committee meetings through video conferencing or other audio-visual mode except in respect of such meetings/items, which are not permitted to be transacted through video conferencing notified under the Act.

Attendance during the financial year 2018-19 of each Director at the Board Meetings, last Annual General Meeting

Name	No. of meeting attended / eligible	
	Board	Annual General Meeting
Mr. Dheeraj G Hinduja	7/7	0/1
Mr. S Nagarajan	7/7	1/1
Mr. Gopal Mahadevan	7/7	1/1
Mr. Sudhanshu Tripathi	7/7	0/1
Mr. Atul Kapur	3/7	0/1
Mr. R S Sharma	7/7	0/1
Mr. R Sundararaman*	6/7	0/1
Ms. Manju Agarwal	6/6	0/1
Mr. D Sarkar	7/7	0/1
Dr. Andreas H Biagosch	4/7	0/1
Ms. Bhumika Batra	2/2	0/1

* Mr. R Sundararaman, Non-Executive Independent Director resigned w.e.f 22nd March, 2019.

* Ms. Bhumika Batra, Non-Executive Independent Director resigned w.e.f 5th June, 2018.

Separate meetings of the Independent Directors

A Separate Meeting of Independent Directors was held on 22nd May 2019 without the attendance of non-independent directors and members of management. All the Independent Directors attended the meeting and:

- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairman of the company, taking into account the views of executive directors and non-executive directors;
- assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Code of conduct

The Board of Directors of the Company has laid down a code of conduct for all Directors and Senior Management of the Company. The code of conduct is available on the website of the Company. All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Whole-time Director to this effect is enclosed at the end of this report.

Committees of the Board

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted the following set of Committees with specific terms of reference / scope. The Committees are operating as empowered agents of the Board as per their Charter / terms of reference. The minutes of the meetings of all Committees of the Board are being placed before the Board for discussions / noting.

Audit Committee

The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise internal controls and financial reporting processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

Composition of the Audit Committee and attendance of the members at Committee meetings are as follows:

Name	Positions held	No. of meetings attended / eligible	Meeting dates
Mr. R Sundararaman	Chairman	6	May 15, 2018, June 05, 2018, September 14, 2018, December 11, 2018, February 12, 2019 and March 22, 2019
Mr. D Sarkar	Member	7	May 15, 2018, June 05, 2018, July 18, 2018, September 14, 2018, December 11, 2018, February 12, 2019 and March 22, 2019
Ms Manju Agarwal	Member	5	July 18, 2018, September 14, 2018, December 11, 2018, February 12, 2019 and March 22, 2019
Mr. Gopal Mahadevan	Member	7	May 15, 2018, June 05, 2018, July 18, 2018, September 14, 2018, December 11, 2018, February 12, 2019 and March 22, 2019

Name	Positions held	No. of meetings attended / eligible	Meeting dates
Mr. Atul Kapur	Member	2	May 15, 2018 and December 11, 2018.
Mr. R S Sharma	Member	7	May 15, 2018, June 05, 2018, July 18, 2018, September 14, 2018, December 11, 2018, February 12, 2019 and March 22, 2019
Ms. Bhumika Batra	Member	2	May 15, 2018 and 5th June, 2018

* Mr. R Sundararaman, Non-Executive Independent Director resigned w.e.f 22nd March, 2019.

* Ms. Bhumika Batra, Non-Executive Independent Director resigned w.e.f 5th June, 2018.

$$ Ms. Manju Agarwal, Non-Executive Independent Directors was inducted in the committee from 5th June, 2018.

Nomination and Remuneration Committee

The Board has reconstituted the Nomination and Remuneration Committee pursuant to the provisions of the Companies Act, 2013. The terms of reference of the Committee cover evaluation of performance and compensation and benefits for Executive Director(s), Non-Executive Director(s), KMPs and their repartees. The Committee also recommends candidates for appointment to the Board and is responsible for framing of policies.

Composition of the Nomination and Remuneration Committee and attendance of the members at Committee meetings are as follows:

Name	Positions held	No. of meetings attended / eligible	Meeting dates
Mr. R S Sharma	Chairman	3	May 15, 2018, June 05, 2018 and November 14, 2018
Mr. Dheeraj G Hinduja	Member	3	May 15, 2018, June 05, 2018 and November 14, 2018
Mr. D Sarkar	Member	3	May 15, 2018, June 05, 2018 and November 14, 2018
Mr. Sudhanshu Tripathi	Member	3	May 15, 2018, June 05, 2018 and November 14, 2018

Stakeholders Relationship Committee

The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to handling of stakeholders' queries and grievances. The terms of reference for the Committee is as follows:

- Oversee and review all matters connected with the transfer of the Company's securities.
- Monitor redressal of investors' / shareholders' / security holders' grievances.
- Oversee the performance of the Company's Registrar and Transfer Agents.
- Recommend methods to upgrade the standard of services to investors.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory
- notification / amendment or modification as may be applicable.

Composition of the Stakeholders Relationship Committee and attendance of the members at Committee meetings are as follows:

Name	Position Held	No. of meetings attended / eligible	Meeting Dates
Ms. Manju Agarwal	Chairperson	1	November 13, 2018
Mr S Nagarajan	Member	2	May 15, 2018 and November 13, 2018.
Mr Sudhanshu Tripathi	Member	2	May 15, 2018 and November 13, 2018.
Ms. Bhumika Batra*	Member	1	May 15, 2018

* Ms. Bhumika Batra, Non-Executive Independent Director resigned w.e.f 5th June, 2018.

Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Rules made there under, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee). The Committee has formulated and recommended a CSR Policy to the Board and various recommendations of the Committee including the amount of expenditure to be incurred on CSR activities are submitted to the Board for approval. The Committee has framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitors CSR policy from time to time.

Composition of the CSR Committee and attendance of the members at Committee meetings are as follows:

Name	Position Held	No. of meetings attended / eligible	Meeting Dates
Mr. Dheeraj G Hinduja	Chairman	2	May 15, 2018 and November 14, 2018
Mr S Nagarajan	Member	2	May 15, 2018 and November 14, 2018
Mr Sudhanshu Tripathi	Member	2	May 15, 2018 and November 14, 2018
Dr Andreas Biagosch	Member	-	-
Ms. Bhumika Batra*	Member	1	May 15, 2018

* Ms. Bhumika Batra, Non-Executive Independent Director resigned w.e.f 5th June, 2018.

Risk Management Committee and Asset Liability Management Committee

The Risk Management Committee (RMC) and the Asset Liability Management Committee (ALCO), are formed in accordance with the Directions issued by the Reserve Bank of India.

Composition of RMC and attendance of the members at Committee meetings are as follows:

Name	Position Held	No. of meetings attended / eligible	Meeting Dates
Mr. D Sarkar	Chairman	3	May 15, 2018, November 14, 2018 and February 12, 2019
Mr S Nagarajan	Member	3	May 15, 2018, November 14, 2018 and February 12, 2019
Mr. R S Sharma	Member	3	May 15, 2018, November 14, 2018 and February 12, 2019
Dr. Andreas H Biagosch	Member	1	February 12, 2019
Mr. Atul Kapur	Member	-	-

Composition of ALCO and attendance of the members at Committee meetings are as follows:

Name	Position Held	No. of meetings attended / eligible	Meeting Dates
Mr. S Nagarajan	Chairman	3	May 15, 2018, October 01, 2018, November 14, 2018
Mr. Gopal Mahadevan	Member	3	May 15, 2018, October 01, 2018, November 14, 2018
Mr. Atul Kapur	Member	2	May 15, 2018 and October 01, 2018

Capital Raising Committee

The Capital Raising Committee is authorised to, among other things, approve implement, negotiate, carry out and decide upon all activities in connection with the Offer, approve amendments to the Memorandum and Articles of Association, approve dematerialization of Equity Shares, finalise and arrange for submission of Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, seek listing of the Equity Shares and submit applications and documents to relevant statutory and other authorities from time to time.

Capital Raising Committee consists of Mr. Gopal Mahadevan, Chairman, Mr. S Nagarajan, Member and Mr. Atul Kapur, Member.

Name	Position Held	No. of meetings attended / eligible	Meeting Dates
Mr. Gopal Mahadevan	Chairman	1	March 07, 2019
Mr. S Nagarajan	Member	1	March 07, 2019
Mr. Atul Kapur	Member	1	March 07, 2019

Credit Committee

The Credit Committee of Directors is authorised to, among other things, approve all credit proposals, which if approved, would result in exposure to a single borrower / group borrower in excess of the ceiling prescribed in the delegation of powers as per the loan policy.

Composition of the Credit Committee and attendance of the members at Committee meetings are as follows:

Name	Position Held	No. of meetings attended / eligible	Meeting Dates
Mr Manju Agarwal	Chairperson	2	December 19, 2018 and February 12, 2019
Mr R Sundararaman	Member	3	October 01, 2018, December 19, 2018 and February 12, 2019
Mr. S Nagarajan	Member	3	October 01, 2018, December 19, 2018 and February 12, 2019
Mr. Gopal Mahadevan	Member	3	October 01, 2018, December 19, 2018 and February 12, 2019

* Mr. R Sundararaman, Non-Executive Independent Director resigned w.e.f 22nd March, 2019

IT Strategy Committee

The IT Strategy Committee was constituted by the Board of Directors at their meeting held on 05th June, 2018 as per the requirements of Master Direction - Information Technology Framework for the NBFC Sector, issued by Reserve Bank of India. The terms of reference of the Committee is as specified in the RBI Master Direction referred above and changes as may be notified from time to time.

Composition of IT Strategy Committee and attendance of the members at Committee meetings are as follows:

Name	Position Held	No. of meetings attended / eligible	Meeting Dates
Ms. Manju Agarwal Independent Director	Chairperson	1	November 13, 2018
Mr. S Nagarajan Executive Vice Chairman and Whole Time Director	Member	1	November 13, 2018
Mr. Sethumurugan Head - IT	Member	1	November 13, 2018

CEO / CFO CERTIFICATION

Mr. Sachin Pillai, Chief Executive Officer and Mr. Kishore Kumar Lodha, Chief Financial Officer have issued a certificate to the Board with regard to financial statements, compliance and internal control systems of the Company.

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all board members and senior management of the Company. The Code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company during the year ended March 31, 2018.

On behalf of the Board of Directors

Place : Chennai
Date : 22nd May, 2019

Dheeraj G Hinduja
Chairman

Annexure D

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Hinduja Leyland Finance Limited
CIN# U65993TN2008PLC069837
1, Sardar Patel Road, Guindy, Chennai – 600 032.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Hinduja Leyland Finance Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by M/s Hinduja Leyland Finance Limited and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Hinduja Leyland Finance Limited for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) SEBI (Issue and Listing of Debt Securities) Regulations 2008

(vi) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vii) RBI Act 1934 read with applicable Rules and Regulations relating to Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Updated as on May 31, 2019), Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has

1. A) Issued 66,17,672 Equity Shares of ₹10/- each at a premium of ₹ 143/- per share on rights basis to its existing shareholders on 31/12/2018.

   B) Issued 64,33,850 Equity Shares of ₹,10/- each at a premium of ₹ 143/- per share on rights basis to its existing shareholders on 26/03/2019.

2. Issued Secured Non-Convertible Redeemable Debenture aggregating to ₹ 350.00 Crores and Unsecured Subordinated Non-Convertible Debt amounting to ₹ 250.00 Crores.

3. Issued 1,81,500 Equity Shares under Employees Stock Option Scheme during the year under review.

For G RAMACHANDRAN & ASSOCIATES
Company Secretaries

G. RAMACHANDRAN
Proprietor
ACS No.9865 CoP No.3056

Place : Chennai
Date : 22nd May, 2019

This report is to be seal with our letter of even date, which is annexed as Annexured A and forms an integral part of this report.

ANNEXURE-A TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members,
Hinduja Leyland Finance Limited
CIN# U65993TN2008PLC069837
1, Sardar Patel Road, Guindy, Chennai – 600 032.

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We followed a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company not of the efficacy of effectiveness with which the management has conducted the affairs of the Company.

For G RAMACHANDRAN & ASSOCIATES
Company Secretaries

G. RAMACHANDRAN
Proprietor
ACS No.9865 CoP No.3056

Place : Chennai
Date : 22nd May, 2019

Annexure E

CRITERIA FOR EVALUATION OF DIRECTORS

❖ **Personal Traits/ General Criteria:**

- Highest personal and professional ethics, integrity and values ;
- Inquisitive and objective perspective, practical wisdom and mature judgment;
- Demonstrated intelligence, maturity, wisdom and independent Judgment
- Self-confidence to contribute to board deliberations and stature such that other board members will respect his or her view;
- The willingness and commitment to devote the extensive time necessary to fulfill his/her duties;
- The ability to communicate effectively and collaborate with other board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including a willingness to listen and respect the views of others; and
- The skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization, including, but not limited to relevant experience in manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing.

❖ **Specific Criteria :**

- Participation and contribution by a Director;
- Commitment, including guidance provided to the Senior Management outside of Board / Committee Meetings;
- Effective deployment of knowledge and expertise;
- Effective management of relationship with various stakeholders;
- Independence of behaviour and judgment.
- Maintenance of confidentiality of critical issues.

Factor	**Attributes**
Role & Accountability	• Understanding of nature and role of independent directors' position
	• Understanding of risks associated with the business
	• Application of knowledge for rendering advice to Management for resolution of business issues
	• Offer constructive challenge to Management strategies and proposals
	• Active engagement with the Management and attentiveness to progress of decisions taken
Objectivity	• Non-partisan appraisal of issues
	• Own recommendations given professionally without tending to majority or popular views

Factor	Attributes
Leadership & Initiative	• Heading Board Sub Committees
	• Driving any function or identified initiative based on domain knowledge and experience
Personal attributes	• Commitment to role & fiduciary responsibilities as a board member
	• Attendance and active participation and not done perfunctorily
	• Proactive, strategic and lateral thinking

Disclosure pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) & (ii) The ratio of the remuneration of each Director to the median and mean remuneration of the employees of the Company for the financial year & the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Names of the Directors / Key Managerial Personnel	Ratio to Median Remuneration	Ratio to Mean Remuneration	Increase / Decrease in Remuneration
Mr. Dheeraj Hinduja	14.80	10.64	657%
Mr. S Nagarajan	69.78	50.16	16%
Mr. R S Sharma	5.68	4.09	162%
Mr. D Sarkar	5.68	4.09	109%
Mr. Gopal Mahadevan	5.57	4.00	123%
Mr. R Sundararaman	4.78	3.44	175%
Mr. S K Tripathi	4.13	2.97	124%
Ms. Manju Agarwal$	4.70	3.38	Not Applicable
Dr Andreas Biagosch	5.40	3.88	397%
Ms. Bhumika Batra#	2.01	1.44	Not Applicable
Mr. Sachin Pillai, Chief Executive Officer	57.63	41.42	18%
Mr. Kishore Kumar Lodha, Chief Financial Officer*	17.50	12.58	247%
Mr. B Shanmugasundaram, Company Secretary**	7.49	5.39	**Not Applicable

$ Appointed as Independent Director with effect from 5th June, 2018

Resigned with effect from 5th June, 2018

* Appointed as Chief Financial Officer with effect from 30th January, 2018

** Appointed as Company Secretary with effect from 16th May, 2018

Note: The remuneration of non-executive directors for the financial year 2017-18 comprises only the sitting fee paid for attending meetings of the board and committees thereof. Whereas the Remuneration for the financial year 2018-19 includes sitting fee and commission.

(iii) The percentage increase in the median remuneration of employees in the financial year – 7.4%

(iv) The number of permanent employees on the rolls of the Company – 1587

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
The average increase in salaries of employees other than managerial personnel in 2018-19 was 8%. Percentage increase in the managerial remuneration for the year was 8.7%

(vi) The key parameters for any variable component of remuneration availed by the directors:
Commission is within the ceiling of 1% of the net profits of the Company, as approved by the shareholders

(vii) Affirmation that the remuneration is as per the remuneration policy of the company. The Company affirms that remuneration is as per the remuneration policy of the Company.

Annexure F

Disclosure under Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014

S.No.	Nature of Disclosures		Particulars
a	Options granted		1,00,000 options
b	The pricing formula		Fair Value as on the date of Grant
c	Options vested and exercisable		2,66,000 options
d	Options exercised		1,81,500 options
e	The total no. of shares arising as a result of exercise of Options		1,81,500 shares
f	Options lapsed/surrendered		40,000 options
g	Variation of terms of Options		NIL
h	Money realized by exercise of options during 2017-18		INR 75,05,600
i	Total number of Options in force		13,25,000 options
j	i)	Details of Options granted to Key Managerial Personnel	No new grants to key managerial personnel during the year.
	ii)	Any other employee who received a grant, in any one year of Option amounting to 5% or more of Options granted during the year	Nil
	iii)	Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital of the company at the time of grant	Nil
k	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard AS-20		₹ 6.01
l	i)	Difference between the compensation cost using the intrinsic value of the stock Options (which is the method of accounting used by the company) and the compensation cost that would have been recognised in the accounts if the fair value of Options had been used as the method of accounting	Not applicable, since the shares are issued at fair value.
	ii)	Impact of the difference mentioned in (i)above on the profits of the company	Nil
	iii)	Impact of the difference mentioned in (i)above on the EPS of the company	Nil
m	i)	Weighted average exercise price of Options	₹ 69.82
	ii)	Weighted average fair value of Options	As per note 35 forming part of the standalone financial statement.

S.No.	Nature of Disclosures	Particulars
n	i) Method used to estimate the fair value of Options	Black Scholes' model
	ii) Significant assumptions used (weighted average information relating)	As per note 35 forming part of the standalone financial statement.
	(a) Risk free interest rate	Following are the risk-free interest rates (based on government bonds) considered in the valuation methodology: • Options granted in March 2014 - 8.00% • Options granted in November 2016 - 6.88% • Options granted in May 2017 - 7.08% • Options granted in January 2018 - 7.08%
	(b) Expected life of the Option	4 years
	(c) Expected volatility	0.00%
	(d) Expected dividend yields	0.00%
	(e) Price of the underlying share in the market at the time of Option grant	NA

On behalf of the Board of Directors

Place : Chennai
Date : 22nd May, 2019

Dheeraj G Hinduja
Chairman

Annexure G
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended 31st March, 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS		
1	CIN	U65993TN2008PLC069837
2	Registration Date	12.11.2008
3	Name of the Company	HINDUJA LEYLAND FINANCE LIMITED
4	Category / Sub-category of the Company	Company Limited by Shares Indian Non-Government Company
5	Address of the Registered office & contact details	No.1, Sardar Patel Road, Guindy, Chennai - 600032 Ph : 044-22206000
6	Whether listed company	Debt-Listed Company
7	Name, Address & contact details of the Registrar & Transfer Agent, if any	**For Debt** Integrated Enterprises (India) Private Limited 5A, 5th Floor, Kences Towers, 1, Ramakrishna Street. T Nagar, Chennai – 600 017 **For Equity** Karvy Fintech Pvt. Ltd., Flat No #F11, 1st Floor, Akshaya Plaza, New #108, Adhithanar Salai, Egmore, Chennai 600 002

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	NBFC engaged in Asset Financing and other financial services (Financial service activities, except insurance and pension funding)	64990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Ashok Leyland Limited No. 1, Sardar Patel Road, Guindy, Chennai – 600 032	L34101TN1948PLC000105	Holding	61.85	2(46)

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
2	Hinduja Housing Finance Limited No. 27A, Developed Industrial Estate, Guindy, Chennai – 600 032.	U65922TN2015PLC100093	Subsidiary	100.00	2(87)
3	HLF Services Limited No. 1, Sardar Patel Road, Guindy, Chennai – 600 032.	U67190TN2010PLC076750	Associate	45.90	2(6)

IV. SHARE HOLDING PATTERN

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the end of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Body Corporates	28,23,11,000	-	28,23,11,000	61.85%	29,04,31,937	-	29,04,31,937	61.84%	-0.01%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**28,23,11,000**	**-**	**28,23,11,000**	**61.85%**	**29,04,31,937**	**-**	**29,04,31,937**	**61.84%**	**-0.01%**
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A)	**28,23,11,000**	**-**	**28,23,11,000**	**61.85%**	**29,04,31,937**	**-**	**29,04,31,937**	**61.84%**	**-0.01%**

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the end of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Funds Others (Clearing Member)*	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the end of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Body Corporates									
i) Indian	4,28,33,433	-	4,28,33,433	9.38%	3,37,77,62	-	3,37,77,627	7.19%	-2.19%
ii) Overseas	12,85,96,854	-	12,85,96,854	28.17%	14,25,80,254	-	14,25,80,254	30.36%	2.19%
b) Individuals		-							
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	67,869	67,869	0.015%	22,452	45,864	68,316	0.015%	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	26,28,812	26,28,812	-	85,000	27,27,856	28,12,856	0.60%	0.02%
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	**17,14,30,287**	**-**	**-**	**38.15**	**17,64,65,333**	**27,73,720**	**17,92,39,053**	**38.16%**	**0,01%**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**17,14,30,287**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**45,37,41,287**	**26,96,681**	**45,64,37,968**	**100%**	**46,68,97,270**	**27,73,720**	**46,96,70,990**	**100%**	**-**

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ashok Leyland Limited	28,23,11,000	61.85%	-	29,04,31,937	61.84%	-	-
		28,23,11,000	61.85%	-	29,04,31,937	61.84%	-	-

(iii) Change in Promoters' Shareholding

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	**Ashok Leyland Limited**				
	At the beginning of the year	28,23,11,000	61.85%	29,04,31,937	61.85%
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):				
	December 31, 2018	41,18,607	-	28,64,29,607	-
	March 26, 2019	40,02,330		29,04,31,937	61.84%
	At the End of the year	29,04,31,937	61.84%	29,04,31,937	61.84%

V. INDEBTEDNESS

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11,38,710	1,77,006	-	13,15,716
ii) Interest due but not paid				
iii) Interest accrued but not due	13,275	5,944	-	19,219
Total (i+ii+iii)	**11,51,985**	**1,82,950**	**-**	**13,34,935**
Change in Indebtedness during the financial year				
* Addition	7,06,500	5,91,500		12,98,000
* Reduction	4,12,837	5,49,390		9,62,227
Net Change	**2,93,663**	**42,110**		**3,35,773**
Indebtedness at the end of the financial year				
i) Principal Amount	14,29,437	2,48,349	-	16,77,786
ii) Interest due but not paid				
iii) Interest accrued but not due	16,211	6,711		22,922
Total (i+ii+iii)	**14,45,648**	**2,55,060**		**17,00,708**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No.	Particulars of Remuneration		Total Amount (₹ in Lakhs)
	Name	**S.Nagarajan**	
	Designation	**Executive Vice Chairman**	
1	Gross salary	321.00	321.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961	321.00	321.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Contribution to Provident Fund	19.46	19.46
	Total (A)	**340.46**	**340.46**

B. Remuneration to other directors:

S.No.	Particulars of Remuneration	Name of Directors					Total Amount (₹ in Lakhs)
		Mr. R Sundararaman	Mr. R S Sharma	Mr. Debabrata Sarkar	Ms Manju Agarwal	Mr. Andreas Biagosch	
1	Independent Director - Fee for attending board / committee meetings	10.50	13.50	13.50	10.50	4.50	52.50
	- Commission	11.81	12.65	12.65	11.11	20.33	68.55
	- Others, please specify	-	-	-	-	-	-
	Total (1)	**22.31**	**26.15**	**26.15**	**21.61**	**24.83**	**121.05**

* Mr. R Sundararaman, Non-Executive Independent Director resigned w.e.f 22nd March, 2019

S.No.	Particulars of Remuneration	Name of Directors					Total Amount (₹ in Lakhs)
		Mr. Dheeraj Hinduja	Mr. Gopal Mahadevan	Mr. Sudhanshu Tripathi	Mr. Atul Kapur	Ms. Bhumika Batra*	
2	Other Non-Executive Directors - Fee for attending board / committee meetings	8.50	14.00	9.50	-	3.50	35.50
	- Commission	59.60	11.61	9.52	-	5.73	86.46
	- Others, please specify	-	-	-	-	-	-
	Total (2)	**68.10**	**25.61**	**19.02**	**-**	**9.23**	
	Total Managerial Remuneration (1) + (2)						**121.96**

* Resigned with effect from June 05, 2019

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

S.No.	Particulars of Remuneration	Name of Key Managerial Personnel				Total Amount (₹ /Lakhs)
		Sachin Pillai, CEO	Kishore Kumar Lodha, CFO	Bala Subramanian. NE* 1-Apr-2018 to 16-May-2018	B Shanmuga Sundaram** From 16-May-2018	
1	Gross salary	253.10	80.52	2.71	34.47	370.80
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-		-
	(c) Profits in lieu of salary u/s 17(3) Income- tax Act, 1961	-	-	-		-
2	Stock Option	31.79				31.79
3	Sweat Equity	-	-	-		-
4	Commission	-	-	-		-
	- as % of profit	-	-	-		-
	- others, specify	-	-	-		-
5	Contribution to Provident Fund	2.89	2.95	0.07	1.33	-
	Total	**287.78**	**83.47**	**2.79**	**35.80**	**409.84**

* Ceased to be the Company Secretary and Compliance Officer w.e.f May 16, 2018

** Appointed as Company Secretary and Compliance Officer w.e.f May 16, 2018

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

Note: There has been no penalty imposed by RBI or other Regulators during the year ended 31st March 2019.

Annexure H

REMUNERATION POLICY

1. Objective

The objective of Hinduja Leyland Finance Limited's Remuneration Policy is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of the stakeholders of the Company.

2. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("Committee") is responsible for formulating and making the necessary amendments to the Remuneration Policy for the Directors, Key Managerial Personnel (KMP) and Senior Executives of the Company from time to time.

3. Remuneration for Non-Executive Directors

Non-Executive Directors ("NED") are remunerated by way of Sitting Fee for each meeting of the Board/ Committees of the Board attended by them and at an appropriate time in the evolution of the Company, an annual commission on the profits of the Company. Commission to respective NED will be determined on the basis of an objective criteria discussed and agreed upon by the Committee Members unanimously. NEDs are reimbursed of any out of pocket expenses incurred by them for the purpose of the Company.

4. Remuneration for Executive Directors, Key Managerial Personnel (KMP) and Senior Executives

The following elements are taken into consideration for determining the Remuneration of Executive Directors, KMP and Senior Executives:

- The remuneration policy reflects a balance amongst the interests of the Company's main stakeholders, as well as a balance between the Company's short-term and long-term strategy. As a result, the structure of the remuneration package for the Directors, KMP and Senior Executives is designed to balance short-term operational performance with the medium and long-term objective of creating sustainable value within the Company, while taking into account the interests of its stakeholders. The Company strives for a high performance in the field of sustainability and aims to maintain a good balance between economic gain, respect for people and concern for the environment.

- To ensure that highly skilled and qualified KMP/Senior Executives can be attracted and retained, the Company aims for a total remuneration level that is comparable to levels provided by other companies that are similar to the Company in terms of size and complexity.

- In designing and setting the levels of remuneration for the Directors, KMP and Senior Executives, the Committee also takes into account the relevant statutory provisions and provisions of corporate governance regulations, societal and market trends and the interests of stakeholders.

- The Company's policy is to offer the Directors, KMP and Senior Executives a total compensation comparable to the peer group.

Total Compensation (TC) The total compensation of the Managing Director and Senior Executives consists of the following components:

1. Base salary
2. Variable income –

- Annual Performance Pay (APP)
- Performance-related Long-Term Incentive Plan (LTIP) and / or ESOPs

Base salary

On joining the Company, the Managing Director, KMP and Senior Executives receive a base salary comparable to the peer group. Every year, base salary levels are reviewed by the Committee.

Variable income

The variable income part of remuneration consists of APP and LTIP/ ESOPs. The distribution between APP and LTIP for (on target) performance aims to achieve a proper balance between short-term result and long-term value creation. The parameters relating to the various elements of the variable income part of the remuneration are established and where necessary adjusted by and at the discretion of the Committee, taking into account the general rules and principles of the remuneration policy itself.

The targets are determined each year by the Committee in consultation with the respective Director/KMP / Executive, based on historical performance, the operational and strategic outlook of the Company in the short term and expectations of the Company's management and stakeholders, among other things. The targets contribute to the realization of the objective of long-term value creation.

It is one of the long-term objectives to reach the proportion of variable compensation up to 50% of the total compensation.

5. Remuneration for other Employees

Remuneration of middle and lower level employees of the Company consists entirely of fixed pay which is reviewed on an annual basis. Increase in the remuneration of employees is effected based on an annual review taking into account performance of the employee and the performance of the Company.

6. Employee Stock Options

Senior Executives are rewarded with stock options in order to encourage harmonious efforts to improve enterprise value. The quantum of stock options is determined by the Board on the recommendations of the Nomination and Remuneration Committee, taking into account the potential of the Executive and his / her criticality to the Company's growth and performance.

7. Alignment of Remunerations

The Committee strives to achieve that the remunerations of the Directors, Senior Executives, Middle and lower level employees of Hinduja Leyland Finance Limited are aligned to each other.

8. Term of Appointment

Term of Managing Director is generally for a period of 3 years and renewed for similar periods from time to time. The term of the other employees, generally is up to the age of superannuation. However, Company also employs contractual employees as 'consultants' for shorter periods on need basis.

9. Post-Retirement Benefits

All the executive directors and employees are entitled for retirement benefits such as provident fund, superannuation fund and gratuity.

10. Severance Arrangements

Contracts of employment with Executive Directors and regular employees, provide for compensation of up to 3 months' pay or advance notice of similar period for cessation from services of the Company.

On behalf of the Board of Directors

Place : Chennai
Date : 22nd May, 2019

Dheeraj G Hinduja
Chairman

Annexure I

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

S.No.	Particulars	Details
1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	CSR Policy of the Company specifies the activities to be undertaken by the Company as recommended by the CSR Committee and approved by the Board of Directors in such projects or programs relating to activities specified in Schedule VII of the Act. The Company's CSR Policy has been uploaded on the website of the Company under the web-link: www. hindujaleylandfinance.com
2.	The composition of the CSR Committee	Mr. Dheeraj G Hinduja –Chairman Mr. S. Nagarajan - Member Mr. Sudhanshu Tripathi - Member Dr Andreas Biagosch – Member (Independent Director)
3.	Average net profit of the company for last three financial years	₹ 25624.00 Lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 512.48 Lakhs
5.	Details of CSR spent during the financial year:	
	a) Total amount to be spent for the financial year 2018-19	₹ 512.48 Lakhs
	b) Amount unspent, if any	₹ 303.42 Lakhs

5c) Manner in which the amount spent during the financial year is detailed below :

1	2	3	4	5	6	7	8
S. No.	**CSR Project or activity identified**	**Sector in which project is covered**	**Projects or Programs 1. Local area or other 2. Specify the State and District where the projects or programs were undertaken**	**Amount Outlay (Budget) Project or Program-wise**	**Amount Spent on the Projects or Programs Sub-Heads 1. Direct Expenditure on project or programs 2. Overheads**	**Cumulative Expenditure up to the Repotting Period**	**Amount spent direct or through implementing agency (with details of implementing agency)**
1	Road to School	Children Education	Sankagiri, Salem District, TN	43.94	43.94	43.94	Learning Links Foundation
2.	Thazambur Lake	Lake Restoration	Chennai	88.76	88.76	88.76	Care Earth Trust
3	Water ATM	Making available safe Drinking water	Puduchathiram, Chennai	18.36	18.36	18.36	Enable Health Society
4	Two Water projects @ Rajastan	Making available safe Drinking water	Rajastan	48.00	48.00	48.00	Hinduja Foundation
5	Healthcare	To provide shelter and holistic care to children who are undergoing cancer treatment	Mumbai	10.00	10.00	10.00	St. Jude Child Care Center
	Total			**209.06**	**209.06**	**209.06**	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board's report

For FY 2018-19, the Company has spent ₹209.06 Lakhs as against the required sum of ₹ 512.48 Lakhs. The Company has identified various projects for the financial year 2019-20 and hence the Company would spend including the amount unspent to the tune of ₹ 303.42 lakhs in line with the progress of the projects.

7. Responsibility Statement by the Corporate Social Responsibility Committee

We hereby state that implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

On behalf of the Board of Directors

Place : Chennai	**S. Nagarajan**	**Dheeraj G Hinduja**
Date : 22nd May, 2019	*Executive Vice Chairman & Whole-time Director*	*Chairman - CSR Committee*

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Hinduja Leyland Finance Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
Adoption of new accounting framework (Ind AS) Effective 1 April 2018, the Company adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017. The migration to the new accounting framework is a complicated process involving multiple decision points upon transition including regulatory matter related compliances.	Our audit procedures included: • Assessing the operating effectiveness of internal controls over transition and exemptions availed in line with the principles under Ind AS 101. • Evaluated management's assessment of transition choices, impact of transition, accuracy of computations and related disclosures.

Key audit matter	How the matter was addressed in our audit
Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date. We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above. Refer to the accounting policies in the Financial Statements: Significant Accounting Policies- "Basis of preparation" and "Note 47 to the Financial Statements: Transition date choices and application"	• Understood the methodology implemented by management to give impact on the transition. • Assessed areas of significant estimates and management judgment in line with principles under Ind AS.
Classification and measurement of Financial assets – Business model assessment Ind AS 109, Financial Instruments, contains three principal classification and measurement categories for financial assets. A financial asset, such as loans to customers, is classified into a measurement category at inception and is reclassified only in rare circumstances. The assessment as to how an asset should be classified is made on the basis of both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The management has assessed its business model on the basis of its business plan and history of sales of financial assets and consequently, classified and measured certain financial assets at fair value through other comprehensive income effective 1 April 2018. We identified business model assessment as a key audit matter because of the management judgement involved in determining the intent for selling / holding a financial asset which could lead to different classification and measurement outcomes of the financial assets and its significance to the financial statements of the Company. Refer to the accounting policies in the Financial Statements: Significant Accounting Policies- "Classification and measurement of financial assets" and "Note 8 to the Financial Statements: Loans"	Our audit procedures included: • Assessing the design, implementation and operating effectiveness of internal controls for classification of financial assets on the basis of management's intent. • For financial assets classified at amortised cost, we tested controls over the classification of such assets and subsequent measurement of assets at amortised cost. Further, we tested internal controls over monitoring of such financial assets to check whether there have been any subsequent sales of financial assets classified at amortised cost. • For financial assets classified as fair value through other comprehensive income refer the section on "Valuation of financial instruments" for the procedures performed. • Test of details over of classification and measurement of financial assets in accordance with management's intent. • We selected a sample of financial assets sold during the year, to evaluate the accounting under Ind AS 109 and to verify if there have been sales of financial assets classified at amortised cost.

Key audit matter	How the matter was addressed in our audit
Valuation of financial instruments 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. 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. We identified assessing the fair value of financial instruments as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and because of the significant degree of judgement exercised by management in determining the inputs used in the valuation models. Refer to Note 2 and Note 45 to the financial statements for accounting policy, valuation and the related disclosures in respect of the financial instruments.	Our audit procedures include: • Obtained an understanding of the fair valuation methodology; • Obtained valuation reports, considered by the Company; • Engaging independent valuation specialists to assist us in the evaluation of valuation models used by the Company. • Assessed the appropriateness of the valuation methodology and testing the key inputs used.
Impairment of Financial assets The determination of loan impairment is inherently judgmental and relies on management's best estimate of a variety of inputs. Pursuant to Ind AS 109, the Company's impairment allowance is derived from estimates including historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors: 1. Segmentation of the loans to customers 2. Loan staging criteria 3. Calculation of probability of default and loss given default 4. Probability of economic factors 5. Complexity of disclosures There is also a large increase in the data inputs required under the expected credit loss model. As set out in note 47.5(ii) to the standalone financial statements, the Company has disclosed an estimate of the impact of transition to Ind AS.	Our audit approach included: • Evaluating appropriateness of impairment principles under Ind AS 109; • Assessing the design and implementation of controls over loan impairment process and management review processes over the calculation of provisions; • Assess management review controls over measurement and disclosures; • Engage independent modelling specialist to test the methodology and reasonableness of assumptions; • Model calculations were tested through re-performance where possible. • Test of details over of calculation of impairment allowance for assessing completeness and accuracy of data. • Verify the appropriateness of managements judgment in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used, and the valuation of recovery assets and collateral.

Key audit matter	How the matter was addressed in our audit
IT System and controls over financial reporting The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Automated accounting procedures and IT environment controls, which include controls over program development and changes, access to programs and data and IT operations, are required to be designed and operate effectively to ensure appropriate financial reporting. Consequently, we identified IT systems and controls over financial reporting as a key audit matter.	Our audit procedures included: • Test controls over the information technology environment, including system access and change management; • Test considered the appropriateness of the access rights granted to applications relevant to financial accounting and reporting systems and the operating effectiveness of controls over granting, removal and appropriateness of access rights; • Evaluating the design and operating effectiveness of automated controls critical to financial accounting and reporting. For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon (other information)

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the 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 in the 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. The other information (information included in the annual report, but does not include the financial statements and our auditor's report thereon) is expected to be made available to us after the date of this auditor's report.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 statements 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 and Board of Directors are 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.

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

Auditor's Responsibilities 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 auditor's 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 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 with reference to financial statements 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 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 auditor's 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.

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.

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 the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

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

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Ashish Gupta
Partner

Membership No. 215165

Place : Chennai
Date : 22nd May, 2019

(i) (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 by which all fixed assets are verified over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, some of the fixed assets were verified during the year and as explained to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is a non-banking financial company and primarily engaged in lending activities; accordingly it does not hold any physical inventories. Thus paragraph 3(ii) of the order is not applicable.

(iii) In our opinion and according to the information and explanation given to us, the Company has granted unsecured loans to two companies covered in the register maintained under section 189 of the Companies Act, 2013:

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the companies / other parties listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to the companies / other parties listed in the register maintained under Section 189 of the Act, the borrowers have been regular in the payment of principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to companies / other parties listed in the register maintained under Section 189 of the Act.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 in respect of loan, guarantees, investments and security, as applicable. The Company has complied with the provisions of Section 186(1) of the Act in relation to investments made by the Company. The remaining provisions related to section 186 of the Act do not apply to the Company as it is a non-banking financial company.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013 for any of the services rendered by the Company. Accordingly paragraph 3(vi) of the order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and services tax and any other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, employees' state insurance, duty of customs, duty of excise, service tax, value added tax and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, any other statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues in respect of income tax or service tax or value added tax that have not been deposited with the appropriate authorities on account of any disputes except in the following case.

Name of the statute	Nature of the due	Amount (INR) in Lakhs	Period to which amount relates	Forum where dispute is pending
Rajasthan VAT Act, 2003	Value added tax	40.57	2011-12 to 2014-15	Appellate Authority
Karnataka VAT Act, 2003	Value added tax	121.15	2012-13 to 2016-17	High Court of Judicature at Bangalore
Odisha Value Added Tax Act, 2004	Value added tax	0.034	April 2012 to March 2013	Additional Commissioner of Commercial Taxes (Appeal), South Zone, Berhampur
Andhra Pradesh Value Added Tax Act, 2005	Value added tax	17.55	April 2011 to March 2012	High Court of Judicature at Hyderabad

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or bank or debenture holders. The Company does not have any loans or borrowings from government.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. However, the Company has raised term loans during the year. In our opinion and according to the information and explanations given to us, term loans taken by the Company have been applied for the purpose for which they were raised.

(x) According to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year, except in respect of loans pertaining to its vehicle finance business aggregating to INR 2.65 lakhs which were identified by the management and reported to Reserve Bank of India. As at March 31, 2019, the above amount has been provided for/ written off in the statement of profit and loss.

(xi) According to information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been provided and paid by the Company in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details as required by the applicable accounting standards has been disclosed in the standalone financial statements.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with such directors. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has obtained the registration required under section 45-IA of the Reserve Bank of India Act 1934.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165

Place : Chennai
Date : 22nd May, 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Hinduja Leyland Finance Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165

Place : Chennai
Date : 22nd May, 2019

Standalone Balance Sheet
As at 31st March 2019

HINDUJA LEYLAND FINANCE

INR In Lakhs

Particulars	Note	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
ASSETS				
Financial assets				
Cash and cash equivalents	5	24,227	12,579	2,598
Bank balance other than cash and cash equivalents	6	11,700	15,132	6,675
Receivables	7			
(i) Trade receivables		-	-	-
(ii) Other receivables		15,631	6,442	5,046
Loans	8	17,24,787	13,40,054	9,65,749
Investments	9	1,28,713	1,01,194	86,504
Other financial assets	10	1,01,309	82,255	47,624
		20,06,367	**15,57,656**	**11,14,196**
Non-financial assets				
Current tax assets (net)		7,214	3,134	349
Deferred tax assets (net)	33	-	13,094	11,671
Property, plant and equipment	11	4,901	4,715	4,605
Capital work-in-progress		-	-	109
Other intangible assets	11A	30	34	52
Other non-financial assets	12	1,557	979	1,070
		13,702	**21,956**	**17,856**
TOTAL ASSETS		**20,20,069**	**15,79,612**	**11,32,052**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade payables	13			
(i) dues of micro enterprises and small enterprises		-	-	-
(ii) dues other than micro enterprises and small enterprises		314	91	196
Debt securities	14	1,93,431	2,38,126	2,70,501
Borrowings (other than debt securities)	15	13,48,946	9,74,375	6,03,063
Deposits	16	162	162	162
Subordinated liabilities	17	1,35,408	1,03,215	68,144
Other financial liabilities	18	67,786	60,755	50,834
		17,46,047	**13,76,724**	**9,92,900**
Non-financial liabilities				
Provisions	19	217	244	245
Deferred tax liabilities (net)	33	779	-	-
Other non-financial liabilities	20	642	622	437
		1,638	**866**	**682**
EQUITY				
Equity share capital	21	46,967	45,644	41,216
Other equity	22	2,25,417	1,56,378	97,254
		2,72,384	**2,02,022**	**1,38,470**
TOTAL LIABILITIES AND EQUITY		**20,20,069**	**15,79,612**	**11,32,052**
Significant accounting policies	2,3&4			

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/ W-100022

Ashish Gupta
Partner
Membership No: 215165

Place : Chennai
Date : 22nd May, 2019

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
Chief Executive Officer

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Chennai
Date : 22nd May, 2019

Standalone Statement of Profit And Loss
For the year ended 31st March 2019

HINDUJA LEYLAND FINANCE

INR In Lakhs

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations			
Interest income	23	2,25,175	1,74,332
Fees and commission income	24	4,768	5,324
Net gain on derecognition of financial instruments	25	16,816	7,879
Income from other services	26	9,305	8,592
Total revenue from operations		**2,56,064**	**1,96,127**
Expenses			
Finance costs	27	1,32,123	98,994
Fees and commission expense	28	6,229	4,514
Impairment on financial assets	29	56,696	50,631
Employee benefits expenses	30	10,390	7,247
Depreciation and amortization	31	662	602
Others expenses	32	7,679	6,461
Total expenses		**2,13,779**	**1,68,449**
Profit before tax		**42,285**	**27,678**
Tax expense:			
Current tax		13,017	10,912
Deferred tax charge / (credit)	33	1,704	(1,438)
		14,721	**9,474**
Profit for the year		**27,564**	**18,204**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss Remeasurement of defined benefit plans		145	42
(ii) Income tax relating to items that will not be reclassified to profit or loss		(50)	(14)
(B) (i) Items that will be reclassified to profit or loss			
Gain on fair valuation of loans		30,028	-
Changes in allowances for expected credit losses		4,646	-
(ii) Income tax relating to items that will be reclassified to profit or loss		(12,120)	-
Total other comprehensive income		**22,649**	**28**
Total comprehensive income		**50,213**	**18,232**
Earnings per equity share (face value ₹10 each)	34		
- Basic (in ₹)		6.01	4.21
- Diluted (in ₹)		6.01	4.21
Significant accounting policies	2, 3 & 4		

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/ W-100022

Ashish Gupta
Partner
Membership No: 215165

Place : Chennai
Date : 22nd May, 2019

For and on behalf of the Board of Directors of
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Executive Vice Chairman
DIN No : 00009236

Sachin Pillai
Chief Executive Officer

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Chennai
Date : 22nd May, 2019

Statement of Changes in Equity
For the year ended 31st March 2019

INR In Lakhs

	Particulars	Number of shares	Amount
A.	**EQUITY SHARE CAPITAL**		
	Balance as at 1 April 2017	**41,21,55,921**	**41,216**
	Change in equity share capital during the year		
	Add: Issued during the year	4,42,82,047	4,428
	Balance as at 31 March 2018	**45,64,37,968**	**45,644**
	Change in equity share capital during the year		
	Add: Issued during the year	1,32,33,022	1,323
	Balance as at 31 March 2019	**46,96,70,990**	**46,967**

B. Other equity

	Reserves and Surplus				Other items of Other Compre-hensive Income	Total
	Statutory Reserves	Securities Premium	Other Reserves - Employee stock option outstanding account	Retained Earnings		
Balance as at 1 April 2017	**14,262**	**36,654**	**131**	**46,207**	**-**	**97,254**
Share based expenses	-	-	84	-	-	84
Premium on issue of share capital	-	40,809	-	-	-	40,809
Profit for the year	-	-	-	18,203	-	18,203
Transfer to / from reserve	3,641	27	(27)	(3,641)	-	-
Other comprehensive income (net of tax)	-	-	-	-	28	28
Balance as at 31 March 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	5,513	-	-	(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**
Significant accounting policies	2, 3 & 4					

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/ W-100022

Ashish Gupta
Partner
Membership No: 215165

Place : Chennai
Date : 22nd May, 2019

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

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Executive Vice Chairman
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Chief Executive Officer

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Chennai
Date : 22nd May, 2019

INR In Lakhs

	Year ended 31 Mar 2019	Year ended 31 Mar 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	**42,285**	**27,678**
Adjustments for:		
Depreciation and amortization	662	602
Provision for employee benefits	(27)	(1)
Provision for impairment on financial instruments	17,791	19,219
Impairment loss on other receivables	767	1,247
Bad debts written off	38,138	30,165
Share based payment expense	105	84
Amortisation of discount on commercial papers	8,013	3,180
Amortisation of ancillary costs relating to borrowings	1,295	535
OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES	**1,09,029**	**82,709**
Adjustments for (Increase) / Decrease in operating assets:		
Other receivables	(9,956)	(2,643)
Loans	(4,07,213)	(4,23,647)
Other non- financial assets	(578)	91
Other financial assets	(17,685)	(34,631)
Adjustments for Increase / (Decrease) in operating liabilities:		
Trade payables	223	(105)
Other financial liabilities	7,031	9,921
Other non financial liabilities	20	185
Net cash (used in) operations	**(3,19,129)**	**(3,68,120)**
Taxes paid (net)	(17,097)	(13,697)
Net cash (used in) operating activities (A)	**(3,36,226)**	**(3,81,817)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in pass through securities (net)	(39,300)	(9,007)
Investment in redeemable non-convertible debentures (net)	14,781	(2,683)
Investment in equity shares of subsidiary company	(3,000)	(3,000)
Bank deposits (having original maturity of more than three months)	3,432	(8,457)
Purchase of fixed assets (tangible and intangible assets) including capital work-in-progress	(844)	(585)
Net cash (used in) investing activities (B)	**(24,931)**	**(23,732)**

INR In Lakhs

	Note	Year ended 31 Mar 2019	Year ended 31 Mar 2018
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares including securities premium (net)		20,044	45,237
Proceeds from borrowings		6,85,480	5,57,167
Repayments of borrowings		(3,77,125)	(2,67,587)
Proceeds from working capital loan / cash credit and commercial paper (net)		44,406	80,714
Net cash from financing activities (C)		**3,72,805**	**4,15,531**
Net increase in cash and cash equivalents (A+B+C)		11,648	9,981
Cash and cash equivalents at the beginning of the year		**12,579**	**2,598**
Cash and cash equivalents at the end of the year		**24,227**	**12,579**
Components of cash and cash equivalents	5		
Cash and cheques on hand		10,035	8,215
Balances with banks			
- In current accounts		14,192	4,364
		24,227	**12,579**
Operational cash flows from interest and dividends			
Interest paid		1,28,420	1,00,936
Interest received		11,299	9,030
Significant accounting policies	2,3&4		

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/ W-100022

Ashish Gupta
Partner
Membership No: 215165

Place : Chennai
Date : 22nd May, 2019

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
Chief Executive Officer

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Chennai
Date : 22nd May, 2019

1 Reporting entity

Hinduja Leyland Finance Limited ('the Company'), incorporated on 12 November 2008 and headquartered in Chennai, India is a Non Banking Finance Company engaged in providing asset finance. The Company is a systemically important non deposit taking Non Banking Finance Company (ND-NBFC) as defined under Section 45 – IA of the Reserve Bank Of India Act, 1934. The Company has received the certificate of registration dated 22 March 2010 from the Reserve Bank of India ("RBI") to carry on the business of Non Banking Financial Institution without accepting public deposits ("NBFC-ND"). Subsequently the Company was granted Asset Finance Company status pursuant to certificate of registration received from RBI dated 12 May 2014 with registration number N-07.00782.

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act'), other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March 2018 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 47.

These financial statements were authorised for issue by the Company's Board of Directors on May 22, 2019.

Details of the Company's accounting policies are disclosed in Note 3.

2.2 Presentation of financial statements

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

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

(i) The normal course of business

(ii) The event of default

2.3 Functional and presentation currency

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

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets	Fair value through other comprehensive income
Liabilities for equity-settled share-based payment arrangements	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.5 Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

ii) Fair value of financial instruments

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

iii) Effective Interest Rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iv) Impairment of financial asset

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

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

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

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

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

v) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

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

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

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

3 Significant accounting policies

3.1 Recognition of Interest Income

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at Fair value through other comprehensive income ('FVOCI'). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

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

B. Initial measurement of financial instruments

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

C. Measurement categories of financial assets and liabilities

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

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

SPPI test

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

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

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

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

Accordingly, financial assets are measured as follows

i) Financial assets carried at amortised cost (AC)

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

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

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

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

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

iv) Investment in subsidiaries

The Company has accounted for its investments in subsidiaries at cost.

B. Financial liability

i) Initial recognition and measurement

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

ii) Subsequent measurement

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

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities during the year ended 31 March 2019 and 31 March 2018.

3.5. Derecognition of financial assets and liabilities

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

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

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

i) Financial Assets

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

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

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

ii) Financial Liability

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

3.6 Impairment of financial assets

A. Overview of ECL principles

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

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

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

ii) Full lifetime expected redit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

Loan commitments:

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

B. Calculation of ECLs

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

PD:

Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD:

Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest

LGD:

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

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

The mechanics of the ECL method are summarised below:

Stage 1:

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

Stage 2:

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

Stage 3:

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

C. Loans and advances measured at FVOCI

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

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

i) Gross fixed investment (% of GDP)

ii) Oil price

iii) Interest rates

3.7 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 Recognition of revenue

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

A. Dividend income

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

B. Rental income

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

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income etc. are recognised on point in time basis.

E. Income from other services

Income from other services are recognised on a time proportionate basis.

3.10 Foreign currency transactions

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

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

3.11 Property, plant and equipment

i. Recognition and measurement

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

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

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

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

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss.

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

Asset category	Estimated Useful life
Buildings	20 years
Furniture and fittings	8 years
Office equipment	5 years
Servers and computers	3-6 years
Vehicles	5 years
Plant and machinery	5 years
Leasehold improvements	Primary lease period or three years, whichever is earlier

Leasehold improvements are depreciated over the remaining period of lease or estimated useful life of the assets, whichever is lower. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

3.12 Intangible assets

i. Intangible assets

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

ii. Subsequent expenditure

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

iii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

iv. Amortisation

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

Asset category	Estimated Useful life
Computer softwares	5 years

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

Impairment of non-financial assets

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

3.13 Employee benefits

i. Post-employment benefits

Defined contribution plan

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

Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

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

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

ii. Other long-term employee benefits

Compensated absences

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

iii. Short-term employee benefits

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur."

iv. Stock based compensation

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

3.14 Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised not disclosed in the financial statements.

3.15 Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

3.16 Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

3.17 Borrowing cost

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

3.18 Cash and cash equivalents

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

3.19 Segment reporting- Identification of segments:

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

3.20 Earnings per share

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

3.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash flows in foreign currencies are accounted at the actual rates of exchange prevailing at the dates of the transactions.

4 STANDARD ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019

Ind AS 116 - Leases

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessor accounting under Ind AS 116 is similar to existing Ind AS 17 accounting.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, prospectively, using the modified prospective method with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that a Company shall recognise the income tax consequences of dividends in the statement of profit or loss, other comprehensive income or equity according to where the Company originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the Company pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the Company has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the Company is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) Company has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment features with negative compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan amendment, curtailment or settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
5	**CASH AND CASH EQUIVALENTS**			
	Cash on hand	3,938	1,377	460
	Cheques on hand	6,097	6,838	1,020
	Balances with banks	14,192	4,364	1,118
	Total	**24,227**	**12,579**	**2,598**
	(i) Earmarked balances with banks	-	-	-
	(ii) Balances with bank to the extent held as margin money or security against the borrowings, guarantees, other commitments	-	-	-
	(iii) Repatriation restrictions in respect of cash and bank balances	-	-	-
6	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**			
	Bank deposits	11,700	15,132	6,675
	Total	**11,700**	**15,132**	**6,675**

Notes :

a) The bank deposits earn interest at fixed rates.

b) The Company has given fixed deposits as credit enhancement for securitisation transactions entered by it, amounting to INR 11,594 Lakhs (31 March 2018 : INR 14,423 Lakhs; 1 April 2017: INR 5,994 Lakhs).

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
7	**RECEIVABLES**			
	Trade receivables	-	-	-
	Other receivables			
	Receivables considered good - secured	17,645	7,689	5,046
	Less: Impairment loss allowance	(2,014)	(1,247)	-
	Total	**15,631**	**6,442**	**5,046**

8 Loans

INR in Lakhs

	Particulars	As at 31 Mar 2019			As at 31 Mar 2018			As at 1 Apr 2017		
		At amortised cost	At fair value through other compre-hensive income	Total	At amortised cost	At fair value through other compre-hensive income	Total	At amortised cost	At fair value through other compre-hensive income	Total
A	**Based on nature**									
	Retail loans	9,58,058	6,44,876	16,02,934	12,98,583	-	12,98,583	9,66,160	-	9,66,160
	Term loans	1,54,653	-	1,54,653	91,125	-	91,125	29,524	-	29,524
	Inter-corporate deposits	39,500	-	39,500	9,500	-	9,500	10,000	-	10,000
		11,52,211	**6,44,876**	**17,97,087**	**13,99,208**	**-**	**13,99,208**	**10,05,684**	**-**	**10,05,684**
	Less : Impairment loss allowance	(72,300)	-	(72,300)	(59,154)	-	(59,154)	(39,935)	-	(39,935)
	Total	**10,79,911**	**6,44,876**	**17,24,787**	**13,40,054**	**-**	**13,40,054**	**9,65,749**	**-**	**9,65,749**
B	**Based on Security**									
	(i) Secured by tangible assets	11,12,711	6,44,876	17,57,587	13,89,708	-	13,89,708	9,95,684	-	9,95,684
	(ii) Unsecured	39,500	-	39,500	9,500	-	9,500	10,000	-	10,000
	Total Gross Loans	**11,52,211**	**6,44,876**	**17,97,087**	**13,99,208**	**-**	**13,99,208**	**10,05,684**	**-**	**10,05,684**
	Less : Impairment loss allowance	(72,300)	-	(72,300)	(59,154)	-	(59,154)	(39,935)	-	(39,935)
	Total Net Loans	**10,79,911**	**6,44,876**	**17,24,787**	**13,40,054**	**-**	**13,40,054**	**9,65,749**	**-**	**9,65,749**
C	**Based on region**									
	(I) Loans in India									
	(i) Public Sector	-	-	-	-	-	-	-	-	-
	(ii) Others	11,52,211	6,44,876	17,97,087	13,99,208	-	13,99,208	10,05,684	-	10,05,684
	Total Gross	**11,52,211**	**6,44,876**	**17,97,087**	**13,99,208**	**-**	**13,99,208**	**10,05,684**	**-**	**10,05,684**
	Less : Impairment loss allowance	(72,300)	-	(72,300)	(59,154)	-	(59,154)	(39,935)	-	(39,935)
	Total (I)-Net	**10,79,911**	**6,44,876**	**17,24,787**	**13,40,054**	**-**	**13,40,054**	**9,65,749**	**-**	**9,65,749**
	(II) Loans outside India									
	Loans outside India	-	-	-	-	-	-	-	-	-
	Total (I) and (II)	**10,79,911**	**6,44,876**	**17,24,787**	**13,40,054**	**-**	**13,40,054**	**9,65,749**	**-**	**9,65,749**

Notes:

1. The retail loans above includes loans amounting to INR 64,989 (31 March 2018: 24,065, 31 March 2017: 15,822) where the underlying securities have been repossessed by the Company. The Impairment loss allowance includes expected credit loss provision on the aforesaid loans amounting to INR 24,541 (31 March 2018: INR 8,830, 31 March 2017: INR 5,327)

2. **Security details**
   a) Retail loans are secured exposures that are secured by assets hypothecated to the company.
   b) Term loans are secured exposures that are secured by assets/ underlying portfolio provided to the company by the borrower.

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
9	**INVESTMENTS**			
	Investments in equity instruments of subsidiary, at cost			
	Hinduja Housing Finance Limited	15,000	12,000	9,000
	Investments in equity instruments of associate, at cost			
	HLF Services Limited	2	2	2
	Measured at amortised cost			
	Investment in debentures (quoted)			
	Non-convertible redeemable debentures	39,133	53,613	54,232
	Investment in debentures (unquoted)			
	Non-convertible redeemable debentures	3,000	3,302	-
	Investment in pass-through certificates (unquoted)			
	Investment in pass-through certificates	61,578	22,978	13,971
	Investment in funds (unquoted)			
	Investment in funds	10,000	10,000	10,000
	Gross investments	**1,28,713**	**1,01,895**	**87,205**
	(i) Investments outside India	-	-	-
	(ii) Investments in India	1,28,713	1,01,895	87,205
	Gross Investments	**1,28,713**	**1,01,895**	**87,205**
	Less: Allowance for impairment loss	-	(701)	(701)
		1,28,713	**1,01,194**	**86,504**
	Aggregate book value of quoted investments	39,133	53,613	54,232
	Aggregate market value of quoted investments	39,133	53,613	54,232
	Aggregate book value of unquoted investments	89,580	48,282	32,973
	Aggregate amount of impairment in value of investments	-	(701)	(701)

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
10	**OTHER FINANCIAL ASSETS**			
	Receivables from related parties			
	Dues from Hinduja Housing Finance Limited (Subsidiary Company)	-	26	89
	Dues from HLF Services Limited (Associate Company)	11,359	6,580	5,553
	Dues from Gulf Ashley Motors Limited (Fellow Subsidiary)	713	39	2,378
	Dealer trade advances (Unsecured, considered good)	85,799	71,217	35,176
	Less: Impairment loss allowance	-	(651)	(651)
	Employee advances	97	130	111
	Interest accrued			
	- on loans	705	493	464
	- on investments	1,157	745	781
	- on fixed deposits	140	168	20
	Rental deposits	744	561	421
	Security deposits	42	989	677
	Less: Provision for doubtful deposits	-	(618)	(618)
	Other receivables	553	2,676	3,323
	Less: Provision for doubtful receivables	-	(100)	(100)
	Total	**1,01,309**	**82,255**	**47,624**

11 PROPERTY, PLANT AND EQUIPMENT

INR In Lakhs

Particulars	Freehold land *	Buildings	Plant and machinery	Servers and computers	Furniture and fittings	Vehicles	Office equipment	Leasehold improve-ments	Total
Cost or deemed cost (gross carrying amount) Gross block									
As at 1 April 2017	2,066	1,471	90	1,176	681	879	89	265	6,717
Accumulated depreciation									
As at 1 April 2017	-	166	53	842	427	377	48	199	2,112
Deemed cost at 1 April 2017	**2,066**	**1,305**	**37**	**334**	**254**	**502**	**41**	**66**	**4,605**
Additions	-	334	20	190	35	37	7	71	694
Deletions	-	-	-	8	-	-	-	-	8
As at 31 March 2018	**2,066**	**1,639**	**57**	**516**	**289**	**540**	**48**	**137**	**5,291**
Additions	-	-	-	476	166	66	22	112	842
Deletions	-	-	-	5	-	38	-	-	43
As at 31 March 2019	**2,066**	**1,639**	**57**	**987**	**455**	**568**	**70**	**249**	**6,091**
Accumulated depreciation									
As at 1 April 2017	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	83	14	200	62	161	17	44	581
Deletion	-	-	-	4	-	-	-	-	4
As at 31 March 2018	**-**	**83**	**14**	**196**	**62**	**161**	**17**	**44**	**577**
Depreciation for the year	-	88	21	228	75	150	15	77	654
Deletion	-	-	-	3	-	38	-	-	41
As at 31 March 2019	**-**	**171**	**35**	**421**	**137**	**273**	**32**	**121**	**1,190**
Carrying amount (net)									
As at 31 March 2018	2,066	1,556	43	320	227	379	31	93	4,715
As at 31 March 2019	**2,066**	**1,468**	**22**	**566**	**318**	**295**	**38**	**128**	**4,901**

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

11A INTANGIBLE ASSETS

INR In Lakhs

Particulars	Computer Softwares	Total
Cost or deemed cost (gross carrying amount)		
Gross block		
At 1 April 2017	128	128
Accumulated amortisation		
At 1 April 2017	76	76
Deemed cost	**52**	**52**
Additions	1	1
Deletion	-	-
As at 31 March 2018	**53**	**53**
Additions	3	3
Deletion	-	-
As at 31 March 2019	**56**	**56**
Accumulated amortisation		
As at 1 April 2017		
Amortisation for the year	19	19
Deletion	-	-
As at 31 March 2018	**19**	**19**
Amortisation for the year	7	7
Deletion	-	-
As at 31 March 2019	**27**	**27**
Carrying amount (net)		
As at 31 March 2018	34	34
As at 31 March 2019	**30**	**30**

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
12	**OTHER NON-FINANCIAL ASSETS**			
	Prepaid expenses	1,557	979	1,070
	Total	**1,557**	**979**	**1,070**

Prepaid expenses includes share issue expenses incurred in connection with the draft red-herring prospectus amounting to INR 844 lakhs (31 March 2018: INR 457 lakhs, 1 April 2017: INR 322 lakhs)

13	**PAYABLES**			
	Trade payables - including acceptances			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	314	91	196
	Total	**314**	**91**	**196**

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

14	**DEBT SECURITIES**			
	Measured at amortised cost:			
	Secured			
	19,360 (31 March 2018: 23,850, 1 April 2017: 25,300) Redeemable non-convertible debentures	1,93,431	2,38,126	2,70,501
	Total (A)	**1,93,431**	**2,38,126**	**2,70,501**
	Debt securities in India	1,93,431	2,38,126	2,70,501
	Debt securities outside India	-	-	-
	Total (B)	**1,93,431**	**2,38,126**	**2,70,501**
	Total	**1,93,431**	**2,38,126**	**2,70,501**

Terms of repayment of debt securities:

Redeemable non-convertible debentures are secured by first ranking mortgage of an immovable property in favour of trustees in addition to exclusive charge on hypothecation of loan receivables with a security cover ranging from 105% to 110% as per the terms of issue.

Out of the debentures issued and outstanding:

a) 14,860 (31 March 2018: 14,350) (1 April 2017: 14,600) debentures were issued with a face value of ₹ 1,000,000/-. As at 31 March 2019 these debentures carry interest rates ranging from 8.33% p.a. to 10.65% p.a. and the redemption period is ranging from 1 year to 5 years from the date of allotment.

b) 4,500 (31 March 2018: 9,500) (1 April 2017: 9,500) debentures were issued with a face value of ₹ 1,000,000/-. These debentures carry interest rates ranging from "Base rate of State Bank of India" to "Base rate of State Bank of India + 0.35%" and the redemption period is 5 years from the date of allotment. As at 31 March 2019, the rate of interest was 9.40% p.a.

c) Nil (31 March 2018: Nil) (1 April 2017: 1,200) debentures were issued with a face value of ₹ 2,500,000/-. These debentures carry interest rates at 10.50% p.a. and the redemption period is 3 years from the date of allotment.

The aforesaid debentures are listed at Bombay Stock Exchange.

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
15	**BORROWINGS (OTHER THAN DEBT SECURITIES)**			
	Meausured at amortised cost			
	Secured borrowings			
	Term Loan from banks	11,99,224	8,50,856	5,66,592
	Cash credit and working capital demand loans from banks	36,781	49,700	36,411
	Other loans	-	28	60
	Total (A)	**12,36,005**	**9,00,584**	**6,03,063**
	Unsecured borrowings			
	Commercial papers	1,12,941	73,791	-
	Total (B)	**1,12,941**	**73,791**	**-**
	Borrowings in India	13,48,946	9,74,375	6,03,063
	Borrowings outside India	-	-	-
	Total	**13,48,946**	**9,74,375**	**6,03,063**
	Total (A+B)	**13,48,946**	**9,74,375**	**6,03,063**

Secured borrowing

1) Cash credit and working capital demand loans from banks are secured by pari passu charge on receivables other than those that are specifically charged to the lenders. These facilities carry interest rates ranging from "MCLR of the respective bank" per annum" to "MCLR of the respective bank + 1.10% per annum". As at 31 March 2019, the rate of interest across the loans was in the range of 8.40% p.a to 10.10% p.a.

2) Refer Note 15.1 for details regarding terms of borrowings from banks.

Unsecured Borrowing

1) Commercial papers carry interest rate ranging from 8.05% p.a. to 8.60% p.a and the redemption period is ranging from 60 days to 90 days. As at 31 March 2019, the interest was 7.67% p.a. to 8.12% p.a. and the redemption period was 90 days.

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
16	**DEPOSITS**			
	From related parties			
	Security deposits from Hinduja Housing Finance Limited (Subsidiary Company)	162	162	162
	Total	**162**	**162**	**162**
17	**SUBORDINATED LIABILITIES**			
	Measured at amortised cost:			
	Unsecured subordinated redeemable non-convertible debentures	1,27,908	1,03,215	68,144
	Other subordinated unsecured loans	7,500	-	-
	Total (A)	**1,35,408**	**1,03,215**	**68,144**
	Subordinated Liabilities in India	1,35,408	1,03,215	68,144
	Subordinated Liabilities outside India	-	-	-
	Total (B)	**1,35,408**	**1,03,215**	**68,144**

Details relating to subordinated redeemable non-convertible debentures

12,850 (31 March 2018: 10,350, 1 April 2017: 6,850) debentures were issued with a face value of ₹ 1,000,000/-. These debentures carry interest rates ranging from 9.20% p.a. to 12.40% p.a. and the redemption period is 5 to 7 years. As at 31 March 2019, the rate of interest was ranging from 9.20%p.a. to 12.40%p.a.

The aforesaid debentures are listed at Bombay Stock Exchange.

Details relating to Other sub-ordinated unsecured loans

During the year ended March 31, 2019, the Company had availed unsecured subordinated loans to finance the growth of company's portfolio and other general purpose with a tenure of 6 years from the date of availment of loan with a 6 months re-set interest rate at 10.21%. As at 31 March 2019, the interest rate is 11.21% p.a.

15.1 Details of terms of redemption/ repayment and security provided in respect of term loans:

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 1	833	Repayable in 2 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 2	833	Repayable in 2 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 3	1,250	Repayable in 3 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 4	3,750	Repayable in 5 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 5	4,167	Repayable in 5 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 6	2,083	Repayable in 10 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 7	3,750	Repayable in 9 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 8	5,000	Repayable in 6 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 9	2,083	Repayable in 10 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 10	7,500	Repayable in 18 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 11	8,750	Repayable in 11 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 12	14,999	Repayable in 9 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 13	18,750	Repayable in 11 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 14	15,000	Repayable in 12 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 15	9,095	Repayable in 2 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 16	32,500	Repayable in 6 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 17	45,500	Repayable in 16 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 18	30,000	Repayable in 11 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 19	2,857	Repayable in 2 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 20	20,000	Repayable in 12 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 21	8,000	Repayable in 36 Monthly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 22	20,000	Repayable in 12 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 23	46,875	Repayable in 15 Half yearly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 24	5,604	Repayable in 9 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 25	46,875	Repayable in 15 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 26	4,999	Repayable in 3 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 27	25,500	Repayable in 14 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 28	2,500	Repayable in 3 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 29	20,625	Repayable in 8 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 30	17,500	Repayable in 14 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 31	30,000	Repayable in 16 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 32	30,000	Repayable in 12 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 33	3,750	Repayable in 1 Half yearly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 34	12,500	Repayable in 4 Half yearly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 35	1,50,000	Repayable in 6 Half yearly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 36	50,000	Repayable in 8 Half yearly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 37	30,000	Repayable in 12 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 38	3,330	Repayable in 1 Half yearly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 39	208	Repayable in 2 Monthly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 40	2,143	Repayable in 4 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 41	10,000	Repayable in 45 Monthly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 42	25,000	Repayable in 20 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 43	834	Repayable in 2 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 44	8,986	Repayable in 76 Monthly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 45	2,500	Repayable in 3 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 46	15,000	Repayable in 4 Half yearly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 47	10,000	Repayable in 4 Half yearly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 48	15,000	Repayable in 1 On maturity instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 49	23,333	Repayable in 11 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 50	3,332	Repayable in 3 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 51	15,000	Repayable in 4 Half yearly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 52	9,999	Repayable in 8 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 53	11,250	Repayable in 9 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 54	30,000	Repayable in 12 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 55	27,500	Repayable in 4 Annual instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 56	6,667	Repayable in 2 Half yearly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 57	40,000	Repayable in 8 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 58	45,000	Repayable in 72 Half yearly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 59	99,908	Repayable in 20 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 60	4,992	Repayable in 5 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 61	4,000	Repayable in 1 On maturity instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 62	10,000	Repayable in 36 Monthly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 63	10,000	Repayable in 11 Quarterly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 64	31,813	Repayable in 36 Monthly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Total Term Loans from Banks	**11,99,224**		

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
18	**OTHER FINANCIAL LIABILITIES**			
	Interest accrued but not due on borrowings	22,922	19,219	21,161
	Payable to assignees towards collections in assigned assets	22,572	22,821	15,043
	Risk participation fee payable	8,765	2,737	-
	Dealer payables	8,200	14,947	13,955
	Payable to employees	743	537	443
	Other payable	4,584	494	232
	Total	**67,786**	**60,755**	**50,834**
19	**PROVISIONS**			
	Provision for employee benefits			
	- gratuity	112	30	48
	- compensated absences	105	214	197
	Total	**217**	**244**	**245**

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
20	**OTHER NON-FINANCIAL LIABILITIES**			
	Statutory liabilities	642	622	437
	Total	**642**	**622**	**437**
21	**EQUITY SHARE CAPITAL**			
	Authorised			
	622,907,700 (31 March 2018: 622,907,700) (1 April 2017: 622,907,700) equity shares of INR10/- each	62,291	62,291	62,291
		62,291	**62,291**	**62,291**
	Issued, subscribed and fully paid up			
	469,670,990 (31 March 2018 : 456,437,968) (1 April 2017: 412,155,921) equity shares of INR 10/- each	46,967	45,644	41,216
		46,967	**45,644**	**41,216**

Notes:

a) Reconciliation of number of Equity shares subscribed

	As at 31 Mar 2019		As at 31 Mar 2018		As at 1 Apr 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares						
At the commencement of the year	45,64,37,968	45,644	41,21,55,921	41,216	37,87,18,619	37,872
Add: Shares issued during the year	1,32,33,022	1,323	4,42,82,047	4,428	3,34,37,302	3,344
At the end of the year	**46,96,70,990**	**46,967**	**45,64,37,968**	**45,644**	**41,21,55,921**	**41,216**

b) Terms/ rights attached to equity shares

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

INR In Lakhs

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

	As at 31 Mar 2019		As at 31 Mar 2018		As at 1 Apr 2017	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity shares						
Ashok Leyland Limited; holding company	29,04,31,937	61.84%	28,23,11,000	61.85%	23,57,49,382	57.20%

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

	As at 31 Mar 2019		As at 31 Mar 2018		As at 1 Apr 2017	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity shares						
Ashok Leyland Limited; holding company	29,04,31,937	61.84%	28,23,11,000	61.85%	23,57,49,382	57.20%
IndusInd International Holdings Limited	7,89,79,303	16.82%	9,16,99,720	20.09%	8,07,51,012	19.59%
Everfin Holdings	3,28,14,401	6.99%	3,18,97,134	6.99%	5,76,52,421	13.99%
Hinduja Power Limited	3,07,86,550	6.55%	-	-	-	-
Hinduja Ventures Limited	1,62,70,244	3.46%	2,58,15,438	5.66%	2,15,57,692	5.23%

e) Shares reserved for issue under employee stock option plan

	As at 31 Mar 2019		As at 31 Mar 2018		As at 1 Apr 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Under Employee stock option scheme, 2013, at an exercise price as determined by the Nomination and Remuneration Committee	1,99,06,191	1,991	1,99,06,191	1,991	1,99,06,191	1,991

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

During the five-year period ended 31 March 2019, 2,783,000 (31 March 2018: 2,601,500) (1 April 2017: 2,234,000) equity shares issued under employee stock option plan for which only exercise price has been received in cash.

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018
22	**OTHER EQUITY**		
	a) Securities premium account		
	Balance at the beginning of the year	77,490	36,654
	Add: Premium on issue of shares	18,721	40,809
	Add: Transferred from Employee Stock Option Outstanding account	-	27
	Balance at the end of the year	**96,211**	**77,490**
	b) Employee stock option outstanding account		
	Balance at the beginning of the year	188	131
	Add: Share based payment expense for the year	105	84
	Less: Transferred to securities premium	-	(27)
	Balance at the end of the year	**293**	**188**
	c) Statutory reserves		
	(As per Section 45-IC of Reserve Bank of India Act, 1934)		
	Balance at the beginning of the year	17,903	14,262
	Add: Amount transferred from surplus in statement of profit and loss	5,513	3,641
	Balance at the end of the year	**23,416**	**17,903**
	d) Retained earnings (Surplus in Statement of Profit and Loss)		
	Balance at the beginning of the year	60,769	46,207
	Add: Profit for the year	27,564	18,203
	Less :Transferred to statutory reserve	(5,513)	(3,641)
	Balance at the end of the year	**82,820**	**60,769**
	e) Other comprehensive income		
	Balance at the beginning of the year	28	-
	Add: Comprehensive Income for the year	22,649	28
	Balance at the end of the year	**22,677**	**28**
	Total (a+b+c+d+e)	**2,25,417**	**1,56,378**

Nature and purpose of reserve

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

Employee stock option outstanding

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

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

Reserve u/s. 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by RBI.

Surplus in the statement of profit and loss

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

Other comprehensive income

a) The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

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

INR In Lakhs

23 INTEREST INCOME

Particulars	Year ended 31 Mar 2019			Year ended 31 Mar 2018		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Total
Interest Income						
- Interest income on loans to customers	37,626	1,75,867	2,13,493	-	1,65,190	1,65,190
- Interest on fixed deposits	-	889	889	-	605	605
- Interest on investment in pass through certificates	-	5,007	5,007	-	2,220	2,220
- Interest income on investment in debentures	-	5,786	5,786	-	6,317	6,317
Total	**37,626**	**1,87,549**	**2,25,175**	**-**	**1,74,332**	**1,74,332**

Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
24 FEES AND COMMISSION INCOME		
Other charges	4,768	5,324
25 NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS		
Income on assignment of loans	16,816	7,879
26 INCOME FROM OTHER SERVICES		
Income from other services	9,305	8,592
(including income earned from related parties amounting to INR 9,305 lakhs (31 March 2018 - INR 5,854 lakhs)		

INR In Lakhs

	Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
27	**FINANCE COSTS**		
	Finance costs on financial liabilities measured at amortised cost		
	Interest on borrowings		
	- term loans from banks	79,701	57,585
	- cash credits and working capital demand loans	4,575	3,373
	- securitised portfolio	2,581	1,431
	Interest on debt securities	23,211	23,770
	Interest on subordinated liabilities	12,747	9,120
	Amortisation of discount on commercial papers	8,013	3,180
	Amortisation of ancillary costs relating to borrowings	1,295	535
	Total	**1,32,123**	**98,994**
28	**FEES AND COMMISSION EXPENSE**		
	Service provider and sourcing expenses	3,358	2,808
	Others	2,871	1,706
	Total	**6,229**	**4,514**

29 IMPAIRMENT ON FINANCIAL ASSETS

Particulars	Year ended 31 Mar 2019			Year ended 31 Mar 2018		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Total
Provision for expected credit loss and amounts written off	4,646	13,145	17,791	-	19,219	19,219
Amounts written off (net of recoveries)	-	38,138	38,138	-	30,165	30,165
Impairment loss on other receivables	-	767	767	-	1,247	1,247
Total	**4,646**	**52,050**	**56,696**	-	**50,631**	**50,631**
Total impairment of financial assets			**56,696**	-		**50,631**

INR In Lakhs

	Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
30	**EMPLOYEE BENEFITS EXPENSES**		
	Salaries, wages and bonus	9,577	6,521
	Contribution to provident, gratuity and other funds	494	336
	Staff welfare expenses	214	306
	Employee stock option expenses	105	84
	Total	**10,390**	**7,247**
31	**DEPRECIATION AND AMORTIZATION**		
	Depreciation of property, plant and equipment	654	583
	Amortisation of intangible assets	8	19
	Total	**662**	**602**
32	**OTHER EXPENSES**		
	Legal and professional charges (refer note 32.1)	1,442	2,017
	Rent	1,338	1,066
	Communication expenses	639	567
	Insurance	320	115
	Electricity charges	256	211
	Rates and taxes	63	78
	Office maintenance	693	515
	Repairs and maintenance	142	123
	Bank charges	305	513
	Printing and stationery	436	328
	Travelling and conveyance	911	323
	Meeting and conference expenses	169	82
	Commission to directors	155	-
	Sitting fees to directors	96	78
	Expenditure on corporate social responsibility (refer note 42)	210	50
	Other expenses	504	395
	Total	**7,679**	**6,461**

INR In Lakhs

Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
32.1 PAYMENTS TO AUDITOR (EXCLUDING GOODS AND SERVICES TAX)		
As auditor:		
Statutory audit	35	23
Tax audit	2	1
Limited review of half yearly results	15	12
Consolidation	8	6
In other capacity:		
Certification	5	4
Other services	18	15
Reimbursement of expenses	5	4
	88	**65**

33 INCOME TAX		
The components of income tax expense for the years ended 31 March 2019 and 2018 are:		
Current tax	13,017	10,912
Deferred tax	1,704	(1,438)
Total tax charge	**14,721**	**9,474**

33.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2019 and 2018 is, as follows:-

Accounting profit before tax	42,285	27,678
Applicable tax rate	34.94%	34.61%
Computed tax expense	14,776	9,579
Tax effect of :		
Permanent differences	(55)	(104)
Tax expenses recognised in the statement of profit and loss	14,721	9,474
Effective tax rate	34.81%	34.23%

INR In Lakhs

33.2 DEFERRED TAX

Particulars	As at 31 Mar 2018	Statement of profit and loss	Other compre-hensive income	As at 31 Mar 2019
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Fixed assets	45	49	-	94
Impact of fair value of assets	-	-	(12,120)	(12,120)
Impairment on financial assets	14,461	1,425	-	15,886
Provision for employee benefits	99	77	(50)	127
Impact on ESOP fair valuation	27	(27)	-	-
Impact on other receivables	(2,229)	(3,233)	-	(5,462)
Others	691	5	-	696
Total	**13,094**	**(1,704)**	**(12,170)**	**(779)**

Particulars	As at 1 Apr 2017	Statement of profit and loss	Other compre-hensive income	As at 31 Mar 2018
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Fixed assets	(5)	50	-	45
Impairment on financial assets	12,593	1,868	-	14,461
Impact on other receivables	(1,746)	(483)	-	(2,229)
Provision for employee benefits	108	5	(14)	99
Impact on ESOP fair valuation	27	-	-	27
Others	693	(2)	-	691
Total	**11,670**	**1,438**	**(14)**	**13,094**

INR In Lakhs

	Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
34	**EARNINGS PER SHARE ('EPS')**		
	Earnings		
	Net profit attributable to equity shareholders for calculation of basic EPS	27,564	18,204
	Net profit attributable to equity shareholders for calculation of diluted EPS	27,564	18,204
	Shares		
	Equity shares at the beginning of the year	45,64,37,968	41,21,55,921
	Shares issued during the year	1,32,33,022	4,42,82,047
	Total number of equity shares outstanding at the end of the year	46,96,70,990	45,64,37,968
	Weighted average number of equity shares outstanding during the year for calculation of basic EPS	45,83,39,358	43,20,95,285
	Effect of dilutive potential equity shares		
	Employee stock options	3,71,286	3,71,286
	Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	45,87,10,644	43,24,66,571
	Face value per share	10.00	10.00
	Earnings per share		
	Basic	6.01	4.21
	Diluted	6.01	4.21

35 EMPLOYEE STOCK OPTION

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

Options to employees are usually granted with a four-year rateable vesting. The options would need to be exercised within a 3 year period from the date of vesting.

The vesting pattern is indicated below

Particulars	Vesting pattern	Vesting pattern	Vesting pattern	Vesting pattern
Grant date	26-Mar-14	10-Nov-16	23-May-17	29-Jan-18
At the end of one year of service from grant date	20%	20%	20%	20%
At the end of two years	20%	20%	20%	20%
At the end of three years	30%	30%	30%	30%
At the end of four years	30%	30%	30%	30%

Share based payment expense

INR In Lakhs

Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
Share based payment expense:		
Total expense recognised in 'employee benefits' (refer note 30)	105	84

Reconciliation of outstanding options

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

	Year ended 31 Mar 2019		Year ended 31 Mar 2018	
	No of options	Weighted average exercise price	No of options	Weighted average exercise price
Outstanding at beginning of the year	**15,18,500**	**65.87**	**17,61,000**	**45.88**
Granted during the year	-	-	4,60,000	106.20
Forfeited during the year	10,000	54.40	3,35,000	49.00
Exercised during the year	1,81,500	41.33	3,67,500	35.94
Expired during the year	13,000	27.95	-	-
Outstanding at the end of the year	**13,14,000**	**69.82**	**15,18,500**	**65.87**

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

Particulars	As at 31 March 2019			As at 31 March 2018		
	No of outstanding options	Range of exercise price	Weighted average remaining life	No of outstanding options	Range of exercise price	Weighted average remaining life
ESOP Scheme	13,14,000	INR/- 27.95 to 110	1 – 4 years	15,18,500	INR/- 27.95 to 110	1 – 4 years

Measurement of fair values

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

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

Grant date	26-Mar-14	10-Nov-16	23-May-17	29-Jan-18
Value of the share at the grant date	27.95	79	95	110
Exercise price	INR/- 10 to 37.95	INR/- 54.40	INR/- 75	INR/- 110
Expected volatility	0.00%	0.00%	0.00%	0.00%
Expected dividends	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (based on government bonds)	8.00%	6.88%	7.08%	7.08%
Expected life	4 years	4 years	4 years	4 years

36 EMPLOYEE BENEFIT – POST EMPLOYMENT BENEFIT PLANS

a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to INR 488 lakhs (31 March 2018 : INR 349 lakhs) (refer note 30)

b) Gratuity benefit plan

Financial assets not measured at fair value

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

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

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

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

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

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

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

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

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

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

The following table sets out the status of the gratuity plan as required under IND AS 19. Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Present value of obligations	332	236
Fair value of plan assets	220	206
Liability recognised in the Balance Sheet	**(112)**	**(30)**

Movement in present values of defined benefit obligations

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Defined benefit obligation at the beginning of the year	236	164
Current service cost	68	65
Interest cost	16	11
Actuarial (gains) / losses	46	(1)
Benefits paid by the plan	(33)	(3)
Defined benefit obligation at the end of the year	333	236

Movement in fair value of plan assets

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Fair value of plan assets at the beginning of the year	206	115
Contributions paid into the plan	29	48
Benefits paid by the plan	(33)	(3)
Expected return on plan assets	15	10
Actuarial (losses) / gains	2	36
Fair value of plan assets at the end of the year	219	206

Expense recognised in the statement of profit or loss

Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
Current service cost	68	65
Interest on obligation	16	11
Expected return on plan assets	(15)	(10)
Net actuarial (gain)/ loss recognised in the year	43	(36)
Total	**112**	**30**

Actuarial assumptions

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Discount rate	7.00%	7.08%
Estimated rate of return on plan assets	7.00%	7.08%
Attrition rate	25.00%	25.00%
Future salary increases	10.00%	10.00%
Retirement age	58 years	58 years

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

Five year information

Gratuity	As at 31 Mar 2019	As at 31 Mar 2018	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2015
Defined benefit obligation	333	236	164	139	107
Fair value of plan assets	219	206	115	108	61
Deficit in plan	112	30	48	31	46
Experience adjustments on plan liabilities	46	(1)	(45)	(23)	(2)
Experience adjustments on plan assets	2	36	-	(2)	(1)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Year ended 31 Mar 2019		Year ended 31 Mar 2018	
	Increase	Decrease	Increase	Decrease
100 base points increase/decrease				
Discount rate	(12)	13	(9)	10
Future salary growth	13	(12)	8	(7)
Attrition rate	(4)	2	(3)	3

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

c) Other long term employee benefits

The liability for compensated absences as at 31 March 2019 is INR 104 lakhs and as at 31 March 2018 is INR 215 lakhs.

37 SEGMENT REPORTING

"An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Executive Vice Chairman ('EVC') to make decisions about resources to be allocated to the segments and assess their performance. The EVC is considered to be the Chief Operating Decision Maker ('CODM') within the purview of Ind AS 108 Operating Segments.

The CODM considers the entire business of the Company on a holistic basis to make operating decisions and thus there are no segregated operating segments. The CODM of the Company reviews the operating results of the Company as a whole and therefore not more than one reportable segment is required to be disclosed by the Company as envisaged by Ind AS 108 Operating Segments. The company does not have any separate geographic segment other than India. As such there are no separate reportable segments as per IND AS 108 Operating Segments.

38 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Claims against the Company not acknowledged as debts: Value added taxes [bank guarantee provided against the claim INR 75 lakhs (31 March 2018 : INR 70 lakhs)]	180	59
Bank guarantee against securitisation transactions	4,552	4,552

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

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

39 RELATED PARTY DISCLOSURES

Name of the related parties and nature of relationship

Holding company / Ultimate Holding Company	Ashok Leyland Limited (“ALL”) – Holding Company of Hinduja Leyland Finance Limited
	Hinduja Automotive Limited ("HAL") – Holding Company of ALL
	Machen Holdings S.A ("Machen") – Holding Company of HAL
	Machen Development Corporation ("MDC") – Holding Company of Machen
	Amas Holdings S.A. – Holding Company of MDC
Subsidiary company	Hinduja Housing Finance Limited (“HHF”)
Associate company	HLF Services Limited (“HSL”)
Fellow subsidiary	Hinduja Energy (India) Limited
	Gulf Ashley Motors Limited

Key management personnel (KMP)	Mr. S. Nagarajan, Executive Vice Chairman
	Mr. Sachin Pillai, Chief Executive Officer
	Mr. Kishore Kumar Lodha, Chief Financial Officer (with effect from 14 December 2017)
	Mr. B Shanmugasundaram, Company Secretary (with effect from 19 March 2018)

Also refer note 46

Related party transactions

Nature of transaction	Holding company (ALL)	Associate	Subsidiary	Fellow subsidiary	KMP
Investment in equity shares	-	-	3,000 (3,000)	-	-
Inter-corporate deposits / advances given **	-	-	-	9,000 (19,000)	-
Advance given (Gulf Ashley Motors Limited)	-	-	-	9,766 (8,095)	-
Reimbursement of expenses incurred on behalf of the related party	0	-	64 (333)	-	-
Interest income					
- Hinduja Energy (India) Limited	-	-	-	462 (503)	-
- Gulf Ashley Motors Limited	-	-	-	1 (29)	-
Purchase of services including tax:					
a. Service provider fee	-	7,410 (6,996)	-	-	-
b. Sourcing / marketing expenses	-	- (1,136)	-	-	-
Income from other services	-	9,305 (5,854)	-	-	-
Salaries and allowances					
- Mr. S. Nagarajan	-	-	-	-	321 (258)

Nature of transaction	Holding company (ALL)	Associate	Subsidiary	Fellow subsidiary	KMP
- Mr. Sachin Pillai	-	-	-	-	253 (213)
- Mr. Kishore Kumar Lodha	-	-	-	-	81 (28)
- Mr. B Shanmugasundaram	-	-	-	-	34 (1)
Number of equity shares allotted on exercise of options					
- Mr. Sachin Pillai	-	-	-	-	70,000 (60,000)

Also refer note 46
** Transactions with Hinduja Energy (India) Limited
Figures in bracket represent previous year figures.

Year end balances

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Amounts due from related parties			
- Hinduja Energy (India) Limited	4,500	4,500	5,000
- HLF Services Limited	11,359	6,580	5,553
- Hinduja Housing Finance Limited	-	26	89
- Gulf Ashley Motors Limited	713	39	2,378
Amounts due to related parties			
- Hinduja Housing Finance Limited	162	162	162
Options outstanding			
- Mr. Sachin Pillai	40,000	1,10,000	1,20,000
- Mr. Kishore Kumar Lodha	1,00,000	1,00,000	-
- Mr. B Shanmugasundaram	50,000	50,000	-

INR in Lakhs

40 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

Particulars	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets									
Cash and cash equivalents	24,227	-	24,227	12,579	-	12,579	2,598	-	2,598
Bank Balance other than cash and cash equivalents	-	11,700	11,700	3,493	11,639	15,132	-	6,675	6,675
Other Receivables	6,200	9,431	15,631	4,262	2,180	6,442	3,339	1,707	5,046
Loans	6,13,714	11,11,073	17,24,787	3,65,397	9,74,657	13,40,054	3,46,375	6,19,374	9,65,749
Investments	75,084	53,629	1,28,713	25,989	75,205	1,01,194	21,899	64,605	86,504
Other financial assets	1,00,523	786	1,01,309	81,323	932	82,255	47,144	480	47,624
Current tax assets (net)	7,214	-	7,214	-	3,134	3,134	349	-	349
Deferred tax assets (net)	-	-	-	-	13,094	13,094	-	11,671	11,671
Property, Plant and Equipment	-	4,901	4,901	-	4,715	4,715	-	4,605	4,605
Capital work-in-progress	-	-	-	-	-	-	-	109	109
Other Intangible assets	-	30	30	-	34	34	-	52	52
Other non-financial assets	1,557	-	1,557	457	522	979	748	322	1,070
Total Assets	**8,28,519**	**11,91,550**	**20,20,069**	**4,93,500**	**10,86,112**	**15,79,612**	**4,22,452**	**7,09,600**	**11,32,052**
Liabilities									
Other payables	-	-		-	-		-	-	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	314	-	314	91	-	91	196	-	196

INR in Lakhs

Particulars	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Debt Securities	1,00,160	93,271	1,93,431	29,900	2,08,226	2,38,126	72,500	1,98,001	2,70,501
Borrowings (other than debt securities)	5,44,196	8,04,750	13,48,946	3,91,638	5,82,737	9,74,375	2,59,131	3,43,932	6,03,063
Deposits	-	162	162	-	162	162	-	162	162
Subordinated liabilities	11,000	1,24,408	1,35,408	-	1,03,215	1,03,215	-	68,144	68,144
Other financial liabilities	61,970	5,816	67,786	-	60,755	60,755	-	50,834	50,834
Provisions	-	217	217	-	244	244	-	245	245
Deferred tax liabilities (net)	-	779	779	-	-	-	-	-	-
Other non-financial liabilities	642	-	642	622	-	622	437	-	437
Total Liabilities	**7,18,282**	**10,29,403**	**17,47,685**	**4,22,251**	**9,55,339**	**13,77,590**	**3,32,264**	**6,61,318**	**9,93,582**
Net	**1,10,237**	**1,62,147**	**2,72,384**	**71,249**	**1,30,773**	**2,02,022**	**90,188**	**48,282**	**1,38,470**

Change in Liabilities arising from financing activities

Particulars	As at 31 March 2019	Cash flows	Others*	As at 1 April 2018	Cash flows	Others*	As at 1 April 2017
Debt Securities	1,93,431	(44,900)	205	2,38,126	(32,001)	(374)	2,70,501
Borrowings (other than debt securities)	13,48,946	3,65,161	4,109	9,74,375	3,66,938	2,249	6,03,063
Subordinated liabilities	1,35,408	32,500	(307)	1,03,215	35,357	(285)	68,144

* the effect of amortisation of ancillary costs relating to borrowings and discount on commercial papers.

INR In Lakhs

Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018

41 OPERATING LEASES AS A LESSEE

The Company has taken a number of branch offices under operating leases. These leases typically run for a period of 3 years with an option to renew after this period. Lease payments are generally increased every year. These leases are cancellable. The rental expense under cancellable lease arrangements is INR 1,338 lakhs (31 March 2018: INR 1,065 lakhs).

Within one year	**-**	**-**
After one year but not more than five years	-	-
More than five years	-	-
Total	**-**	**-**

42 CORPORATE SOCIAL RESPONSIBILITY ("CSR") EXPENDITURE

(a) Gross amount required to be spent by the company during the year as per Section 135 of the Companies Act, 2013 read with schedule VII	512	431
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	210	50

43 UTILISATION OF THE PROCEEDS OF RIGHTS ISSUE

During the current year, the company raised a sum of INR 19,968 lakhs through a rights issue of equity shares to fund the business of providing loans to customers. The proceeds have been utilised as follows:

Proceeds from rights issue	19,969	45,105
Utilisation during the year – Loan to customers	(19,969)	(45,105)
Un-utilised amount at the end of the year	-	-

44 EXPENDITURE IN FOREIGN CURRENCY

Legal and professional charges	79	11

INR In Lakhs

45 FINANCIAL INSTRUMENT

A Fair value measurement

Valuation principles

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

Financial instruments by category

The carrying value and fair value of financial instruments measured at fair value as of March 31, 2019 were as follows:

Particulars	Carrying amount	Fair value			
	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Loans	6,44,876	-	-	6,44,876	6,44,876

The company does not have any financial assets measured at fair value as on 31 March 2018 and 1 April 2017.

Reconciliation of level 3 fair value measurement is as follows

Loans	Year ended	
	31 Mar 2019	31 Mar 2018
Loans, measured at FVOCI		
Balance at the beginning of the year	-	-
Total gains measured through OCI for additions made during the year	30,028	-
Balance at the end of the year	**30,028**	**-**

Sensitivity analysis

	Equity, net of tax	
	Increase	Decrease
31 March 2019		
Loans		
Interest rates (1% movement)	10,237	(9,892)

The carrying value and fair value of other financial instruments by categories as of March 31, 2019 were as follows:

Particulars	Carrying amount	Fair value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value:					
Cash and cash equivalents	24,227	-	24,227	-	24,227
Bank balance other than cash and cash equivalents	11,700	-	11,700	-	11,700
Other receivables	17,645	-	-	18,467	18,467
Loans	17,97,087	-	-	18,80,767	18,80,767
Investments	1,13,711	10,000	-	1,08,540	1,18,540
Other financial assets	1,01,309	-	15,510	89,793	1,05,303
Total	**20,65,680**				
Financial liabilities not measured at fair value:					
Trade payables	314	-	314	-	314
Debt securities	1,93,431	-	1,93,431	-	1,93,431
Borrowings	13,48,946	-	13,48,946	-	13,48,946
Security deposits	162	-	162	-	162
Subordinated liabilities	1,35,408	-	1,35,408	-	1,35,408
Other financial liabilities	67,786	-	67,786	-	67,786
Total	**17,46,047**				

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

Particulars	Carrying amount	Fair value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Assets:					
Cash and cash equivalents	12,579	-	12,579	-	12,579
Bank balance other than cash and cash equivalents	15,132	-	15,132	-	15,132
Other receivables	7,689	-	-	8,047	8,047
Loans	13,99,208	-	-	14,64,361	14,64,361
Investments	89,893	10,000	-	83,613	93,613
Other financial assets	82,255	-	7,722	74,533	82,255
Total	**16,06,756**				
Liabilities:					
Trade payables	91	-	91	-	91
Debt securities	2,38,126	-	2,38,126	-	2,38,126
Borrowings	9,74,375	-	9,74,375	-	9,74,375
Security deposits	162	-	162	-	162
Subordinated liabilities	1,03,215	-	1,03,215	-	1,03,215
Other financial liabilities	60,755	-	60,755	-	60,755
Total	**13,76,724**				

The carrying value and fair value of financial instruments by categories as of April 01, 2017 were as follows:

Particulars	Carrying amount	Fair value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Assets:					
Cash and cash equivalents	2,598	-	2,598	-	2,598
Bank balance other than cash and cash equivalents	6,675	-	6,675	-	6,675
Other receivables	5,046	-	-	5,046	5,046
Loans	10,05,684	-	-	10,52,512	10,52,512
Investments	78,203	10,000	-	68,203	78,203
Other financial assets	47,624	-	12,448	35,176	47,624
Total	**11,45,830**				
Liabilities:					
Trade payables	196	-	196	-	196
Debt securities	2,70,501	-	2,70,501	-	2,70,501
Borrowings	6,03,063	-	6,03,063	-	6,03,063
Security deposits	162	-	162	-	162
Subordinated liabilities	68,144	-	68,144	-	68,144
Other financial liabilities	50,834	-	50,834	-	50,834
Total	**9,92,900**				

B Measurement of fair values

Valuation methodologies of financial instruments not measured at fair value

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

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, balances other than cash and cash equivalents, other financial assets (excluding dealer trade advances) and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet. The carrying amounts of the short term financial assets and liabilities are reasonable approximation of their fair values.

Borrowings

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

Loans, Dealer trade advances and other receivables

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

Investments

The fair values financial of held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. Investment in mutual funds has been taken as Level 1 and value has been considered based on mutual fund statement.

Transfers between levels I and II

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

C Capital

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

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

Capital management

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

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

Regulatory capital *

Particulars	Carrying amount	
	As at 31 March 2019	As at 31 March 2018
Tier I Capital	2,17,017	1,86,463
Tier II Capital	1,15,931	76,719
Total Capital	3,32,948	2,63,182
Risk weighted assets	19,61,873	15,52,196
Tier I Capital Ratio (%)	11.06%	12.01%
Tier II Capital Ratio (%)	5.91%	4.94%

Tier 1 capital consists of shareholders' equity and retained earnings. Tier II Capital consists of general provision and loss reserve against standard assets and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier I). Tier 1 and Tier II has been reported on the basis of Ind AS financial information.

* The above computations are as per IND AS. RBI related accounting implications on account of IND AS adoption are not considered in the above computations, as RBI is yet to provide guidance on Ind AS implications in CRAR computations.

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

(i) Credit risk

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

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

A. Loans and advances

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

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

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

Particulars	Carrying Amount		
	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 April 2017
Retail loans	16,02,934	12,98,583	9,66,160
Term loans	1,54,653	91,125	29,524
Inter-corporate deposits	39,500	9,500	10,000
	17,97,087	**13,99,208**	**10,05,684**
Less : Impairment loss allowance	(72,300)	(59,154)	(39,935)
	17,24,787	**13,40,054**	**9,65,749**

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

	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
Inter-corporate deposit includes deposits given to the below parties.			
Hinduja Energy (India) Limited	4,500	4,500	5,000
Hinduja Group Limited	10,000	5,000	5,000
Hinduja Realty Ventures Limited	10,000	-	-
APDL Estates Limited	3,000	-	-
Hinduja Properties Limited	1,500	-	-
Hinduja Estate Private Limited	3,000	-	-
Hinduja Healthcare Limited	2,500	-	-
IN-Entertainments Indian Limited	5,000	-	-
	39,500	**9,500**	**10,000**

Staging:

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

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

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

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

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

Grouping

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

- Commercial vehicle loans
- Two wheeler loan
- Construction equipments
- Three wheeler loan
- Loan against property
- Investments
- Dealer trade advances

Expected credit loss ("ECL"):

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

a. Marginal probablity of default ("MPD")

b. Loss given default ("LGD")

c. Exposure at default ("EAD")

d. Discount factor ("D")

Marginal probablity of default:

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

For computation of probability of default ("PD"), ARIMA Model was used to forecast the PD term structure over lifetime of loans. As per given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. The Company has worked out on PD based on the last four years historical data.

The PDs derived from the ARIMA model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside (15%), downside (15%) and base (70%). This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

LGD:

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

1) Analysis of historical credit impaired accounts at cohort level.

2) The computation consists of five components, which are:

    a) Outstanding balance (POS)

    b) Recovery amount (discounted yearly) by initial contractual rate.

    c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.

    d) Collateral (security) amount

The formula for the computation is as below:

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

% LGD = 1 – recovery rate

EAD:

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

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

Discounting:

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

ECL computation:

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

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

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

	Provisions	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Stage 1	12 month provision	0.25%	0.45%	0.44%
Stage 2	Life time provision	0.51%	0.96%	1.03%
Stage 3	Life time provision	37.34%	36.91%	38.23%
Amount of expected credit loss provided for		72,300	61,224	42,005

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note.

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

Particulars	31 March 2019				31 March 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	11,54,563	1,46,868	1,21,841	14,23,272	8,65,301	47,194	93,189	10,05,684
Assets derecognised or repaid (excluding write offs)	(4,38,919)	(28,749)	(13,438)	(4,81,106)	(12,785)	(697)	(1,377)	(14,859)
Transfers from Stage 1 **	(1,61,712)	1,32,337	29,375	-	(82,410)	64,843	17,567	-
Transfers from Stage 2 **	39,345	(56,265)	16,920	-	20,050	(27,569)	7,519	-
Transfers from Stage 3 **	5,232	2,573	(7,805)	-	140	42	(182)	-
Amounts written off	-	-	(6,959)	(6,959)	-	-	-	-
New assets originated*	7,89,467	31,015	41,398	8,61,880	3,64,267	63,055	5,125	4,32,447
Gross carrying amount closing balance	**13,87,976**	**2,27,779**	**1,81,332**	**17,97,087**	**11,54,563**	**1,46,868**	**1,21,841**	**14,23,272**

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

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

Reconciliation of ECL balance is given below:

Particulars	As at 31 March 2019	As at 31 March 2018
ECL allowance - opening balance	**61,224**	**42,005**
Addition during the year	28,898	19,922
Reversal during the year	(4,148)	(703)
Write offs during the year	(9,029)	-
Transfer to OCI	(4,646)	-
Closing provision of ECL	**72,300**	**61,224**
Amounts charged off to income statement	**38,138**	**30,165**

Collateral and other credit enhancements

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

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

Exposure to credit risk

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

B. Investments

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The exposure to credit risk for investments is to other non-banking finance companies and financial institutions.

The credit committee has established a credit policy under which each new investee pool is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc. For investments the collateral is the underlying loan pool purchased from the financial institutions.

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

The total provision under expected credit loss model is INR Nil (31 March 2018 and 1 April 2017: INR 700 lakhs). During the current year, INR 700 lakhs (31 March 2018: Nil) has been charged off to the income statement.

C. Cash and cash equivalent and Bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks which are rated AA- to AA+, based on CRISIL ratings.

(ii) Liquidity risk

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

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

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

Capital adequacy ratio of the Company, as on 31 March 2019 is 16.97% against regulatory norms of 15%. Tier I capital is 11.06% as against requirement of 10%. Tier II capital is 5.91% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The total cash credit limit available to the Company is INR 1,350 lakhs spread across 15 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

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

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

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 year to 5 year	Over 5 year	Total
As at 31 March 2019									
Borrowings	27,840	89,101	1,14,871	82,655	2,28,340	6,39,894	1,63,120	3,125	13,48,946
Debt securities	12,660	5,000	15,800	49,200	17,331	93,440	-	-	1,93,431
Subordinated liabilities	-	-	-	-	11,000	39,500	23,000	61,908	1,35,408
As at 31 March 2018									
Borrowings	8,264	7,723	1,36,102	61,825	1,77,724	4,46,192	1,33,247	3,298	9,74,375
Debt securities	-	-	5,800	4,100	20,000	1,88,600	19,626	-	2,38,126
Subordinated liabilities	-	-	-	-	-	30,000	38,500	34,715	1,03,215
As at 1 April 2017									
Borrowings	5,403	14,864	19,450	60,265	1,59,148	3,11,499	32,434	-	6,03,063
Debt securities	-	-	30,000	25,000	17,500	88,400	1,09,601	-	2,70,501
Subordinated liabilities	-	-	-	-	-	11,000	39,500	17,644	68,144

(iii) Market risk

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

Interest rate risk

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

Loans extended by the Company are all fixed rate loans.

The sensitivity analysis have been carried out based on the exposure to interest rates for term loans from banks, debt securities and borrowings carried at variable rate.

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
Change in interest rates	**25 bp increase**	**25 bp decrease**	**25 bp increase**	**25 bp decrease**
Variable rate borrowings				
Impact on profit for the year	(2,923)	2,923	(1,853)	1,853

(v) Foreign currency risk

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

47 EXPLANATION OF TRANSITION TO IND AS

As stated in Note 2.1, these are the Company's first standalone financial statements prepared in accordance with Ind AS. For the year ended March 31, 2018, the Company had prepared its standalone financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these standalone financial statements for the year ended March 31, 2019 including the comparative information for the year ended March 31, 2018 and the opening standalone Ind AS balance sheet on the date of transition i.e. April 1, 2017.

In preparing its Ind AS balance sheet as at April 1, 2017 and in presenting the comparative information for the year ended March 31, 2018, the Company has adjusted amounts reported previously in standalone financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its standalone financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing these standalone financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

47.1 Optional exemptions availed

(i) Property plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

− fair value;

− or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment and intangible assets.

(ii) Investment in subsidiary and associate

Ind-AS 101 allows a first-time adopter to use a deemed cost when measuring an investment in a subsidiary in the separate opening statement of financial position. This deemed cost can be determined using either fair value at the date of transition to Ind-ASs or a previous GAAP carrying amount at that date. A first-time adopter is able to choose whether to use the deemed cost exemption on an investment-by-investment basis for its subsidiary and associate. Accordingly, the Company has elected to avail the exemption and use the previous GAAP carrying value as deemed cost.

(iii) Share based payment

Ind-AS 101 allows a first-time adopter to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind ASs. The Company has elected to avail the exemption.

47.2 Mandatory exceptions

(i) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the standalone financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVOCI

- Impairment of financial assets based on the expected credit loss model

- EIR on borrowings, sourcing income and costs.

- Expected life of loan portfolios

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

(iii) Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition criteria for financial assets/liabilities prospectively from the date of transition. Hence, it has not recognised any financial assets/financial liabilities previously de-recognised.

(iv) Impairment of financial assets

The Company being NBFC company is required to assess the impairment of financial assets based upon the new model i.e. ECL instead of rule based guidance (RBI Prudential Norms) as prevailed under previous GAAP.

Accordingly, the Company has applied the impairment requirement of Ind-AS 109 on all financial assets recognised as per Ind-AS 109 retrospectively except:

1. The Company has sought to approximate the credit risk on initial recognition by considering all reasonable and supportable information that is available without undue cost or effort.

2. The Company has determined whether the financial asset is having low credit risk, as specified in Ind-AS 109, and whether there is a significant increase in credit risk since initial recognition of financial assets by applying rebuttable presumption of 60 days past due.

3. If the Company is unable to determine whether there is a significant increase in credit risk since initial recognition of a financial asset, without involving undue cost or effort, the Company shall recognise a loss amount equal to life time expected losses at each reporting date till the financial asset is derecognised.

Accordingly, the Company has developed ECL model for testing of impairment of loans and advances.

47.3 Reconciliation of equity

	As at date of transition April 1, 2017			As at March 31, 2018		
	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
ASSETS						
Financial assets						
Cash and cash equivalents	2,598	-	2,598	12,579	-	12,579
Bank balances other than cash and cash equivalents	6,675	-	6,675	15,132	-	15,132
Receivables						
- Trade receivables	-	-	-	-	-	-
- Other receivables	-	5,046	5,046	-	6,442	6,442
Loans	9,80,790	(15,041)	9,65,749	12,76,634	63,420	13,40,054
Investments (net)	87,205	(701)	86,504	1,21,550	(20,356)	1,01,194
Other financial assets	48,993	(1,369)	47,624	83,625	(1,370)	82,255
	11,26,261	**(12,065)**	**11,14,196**	**15,09,520**	**48,136**	**15,57,656**
Non-financial assets						
Current tax assets (net)	349	-	349	3,134	-	3,134
Deferred tax assets (net)	6,011	5,660	11,671	7,169	5,925	13,094
Property, plant and equipment	4,605	-	4,605	4,715	-	4,715
Capital work-in-progress	109	-	109	-	-	-
Intangible assets	52	-	52	34	-	34
Other non- financial assets	13,479	(12,409)	1,070	17,321	(16,342)	979
	24,605	**(6,749)**	**17,856**	**32,373**	**(10,417)**	**21,956**
Total assets	**11,50,866**	**(18,814)**	**11,32,052**	**15,41,893**	**37,719**	**15,79,612**

	As at date of transition April 1, 2017			As at March 31, 2018		
	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Trade payables	196	-	196	91	-	91
Debt securities	2,71,000	(499)	2,70,501	2,38,500	(374)	2,38,126
Borrowings (other than debt securities)	6,03,324	(261)	6,03,063	9,15,352	59,023	9,74,375
Deposits	162	-	162	162	-	162
Subordinated liabilities	68,500	(356)	68,144	1,03,500	(285)	1,03,215
Other financial liabilities	50,834	-	50,834	60,755	-	60,755
	9,94,016	**(1,116)**	**9,92,900**	**13,18,360**	**58,364**	**13,76,724**
Non-financial liabilities						
Provisions	245	-	245	244	(0)	244
Non-financial liabilities	7,587	(7,150)	437	9,965	(9,343)	622
	7,832	**(7,150)**	**682**	**10,209**	**(9,343)**	**866**
EQUITY						
Equity share capital	41,216	0	41,216	45,644	-	45,644
Other equity	1,07,802	(10,548)	97,254	1,67,680	(11,302)	1,56,378
	1,49,018	**(10,548)**	**1,38,470**	**2,13,324**	**(11,302)**	**2,02,022**
Total liabilities and equity	**11,50,866**	**(18,814)**	**11,32,052**	**15,41,893**	**37,719**	**15,79,612**

* previous year figures were regrouped, wherever necessary to confirm to current year presentation.

	Note	April 1, 2017	March 31, 2018
Total equity (shareholder's funds) as per previous GAAP		**1,49,018**	**2,13,324**
Impact on recognition of loan origination cost/ income on financial assets and financial liabilities under Effective Interest Rate method	(i), (vii)	(2,004)	(1,999)
Impact on application of Expected Credit Loss method for impairment allowance on financial assets	(ii)	(19,249)	(21,669)
Income adjustment on account of derecognition of loans (net)	(v)	5,046	6,442
Share based expenses [also refer note 47.1.(iii)]	(viii)	-	(79)

	Note	April 1, 2017	March 31, 2018
Others		-	77
Tax effects on above adjustments		5,660	5,926
Total adjustments		(10,547)	(11,302)
Total equity (shareholder's funds) as per Ind AS		**1,38,470**	**2,02,022**

47.4 Reconciliation of total comprehensive income for the year ended March 31, 2018

	Year ended March 31, 2018			
	Note	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Revenue from operations				
Interest income	(i), (iii), (v), (vi)	1,76,808	(2,476)	1,74,332
Fees and commission income	(i)	10,536	(5,212)	5,324
Net gain on derecognition of financial instruments	(v)	-	7,879	7,879
Income from other services		8,592	(0)	8,592
Total revenue from operations		**1,95,936**	**191**	**1,96,127**
Expenses				
Finance costs	(vi), (vii)	97,555	1,439	98,994
Fees and commission expenses		4,515	(1)	4,514
Impairment on financial instruments/write-offs	(ii), (iii), (v)	43,096	7,535	50,631
Employee benefits expenses	(viii), (ix)	7,205	42	7,247
Depreciation and amortisation expenses		601	1	602
Other expenses	(i)	14,226	(7,765)	6,461
Total expenses		**1,67,198**	**1,251**	**1,68,449**
Profit before income tax		**28,738**	**(1,060)**	**27,678**
Current tax		10,912	-	10,912
Deferred tax	(xi)	(1,158)	(280)	(1,438)
Income tax expense		**9,754**	**(280)**	**9,474**
Profit for the year		18,984	(780)	18,204

	Year ended March 31, 2018			
	Note	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss	(ix)	-	42	42
Tax impact on Items that will not be reclassified subsequently to profit or loss	(xi)	-	(14)	(14)
Total comprehensive income		**18,984**	**(752)**	**18,232**

* previous year figures were regrouped, wherever necessary to confirm to current year presentation.

Particulars	Note	Year ended March 31, 2018
Profit as per previous GAAP		**18,984**
Adjustments resulting in increase / (decrease) in profit after tax as reported under previous GAAP:		
Impact on recognition of loan origination cost/ income on financial assets and financial liabilities under Effective Interest Rate method	(i) and (vii)	5
Impact on application of Expected Credit Loss method for impairment allowance on financial assets	(ii)	(2,420)
Interest on stage 3 assets	(iii)	3,868
Impairment of interest on stage 3 assets	(iii)	(3,868)
Income adjustment on account of derecognition of loans (net)	(v)	2,644
Impairment of other receivables	(v)	(1,247)
Other adjustments	(vi)	(43)
Tax impact on above adjustments	(xi)	280
Net Profit after tax for the year under Ind AS		**18,204**
Other comprehensive income		
Income tax relating to items that will not be reclassified to profit or loss		
Remeasurement loss on defined benefit plan, net of taxes	(ix)	42
Income tax relating to items that will not be reclassified to profit or loss	(xi)	(14)
Total Comprehensive Income for the year under Ind AS		**18,232**

47.5 Notes to Ind AS first-time adoption

(i) Loans at amortised cost

Based on Ind AS 109, financial assets in the form of loans have been accounted at amortised cost using effective interest rate method and accordingly, upfront fee and transaction costs have been recognised using the effective interest rate method and recorded under interest income in the statement of profit and loss. Under previous GAAP, transaction costs were charged on a straight line basis to the income statement and disclosed under other expenses (as service provider fee and sourcing expenses). Similarly, upfront fee collected from customers was also recognised in the income statement on a straight line basis and disclosed under other operating income (as service charges and documentation charges). The unamortised component of these transaction costs and upfront fee were disclosed as prepaid expenses and income received in advance under previous GAAP in the balance sheet.

The impact arising from the change is summarized as follows:

		Year ended 31 Mar 2018
Statement of profit and loss - Increase / (decrease) in profit		
Upfront fee		1,378
Transaction cost		(1,364)
Adjustment before income tax		**14**
Statement of profit and loss - Reclassifications		
Upfront fee		5,212
Transaction cost		(7,765)
Adjustment to interest income		**(2,553)**
	As at 1 Apr 2017	**As at 31 Mar 2018**
Balance sheet		
Increase in unamortised component *	2,053	2,039
Adjustment to retained earnings	**2,053**	**2,039**

* Consequent decrease in loans

(ii) Impairment loss allowance on loans, investment and other receivables

On transition to Ind AS, the Company has recognised impairment loss on loans measured at amortised cost based on the expected credit loss model as required by Ind AS 109. Consequently, loans measured at amortised cost have been reduced with a corresponding decrease/ increase in retained earnings on the date of transition and there has been an incremental provision for the year ended March 31, 2018. The provision for standard assets and provision for non-performing assets were disclosed as provisions in the previous GAAP. Under Ind AS, the expected credit loss has been disclosed as a deduction from loans.

The impact arising from the change is summarized as follows:

		Year ended 31 Mar 2018
Statement of profit and loss - Decrease in profit		
Impairment loss allowance on loans		2,420
Adjustment before income tax		**2,420**
	As at 1 Apr 2017	**As at 31 Mar 2018**
Balance sheet		
Increase impairment loss allowance on loans #	19,249	21,669
Adjustment to retained earnings	**19,249**	**21,669**

shown as a reduction in loans

Investments

Under Previous GAAP, the Company recorded a diminution in the value of the investments in accordance with AS 13. Under Ind AS, the Company has recognised an impairment loss in accordance with Ind AS 109. Accordingly, a sum of INR 701 lakhs has been adjusted to retained earnings on transition.

Dealer trade advances

Under Ind AS, the Company has recognised an impairment loss in accordance with Ind AS 109. Accordingly, a sum of INR 651 lakhs has been adjusted to retained earnings on transition.

Other receivables

Under Ind AS, the Company has recognised an impairment loss in accordance with Ind AS 109. Accordingly, a sum of INR 618 lakhs towards security deposits and INR 100 lakhs towards other receivables has been adjusted to retained earnings on transition.

(iii) Recognition of suspended interest income (net)

Further, under previous GAAP the Company did not accrue interest income on contracts that were classified as non-performing assets in accordance with the RBI Regulations. Under Ind AS, the Company recognises interest income on stage 3 assets resulting in an increase in income of INR 3,868 lakhs for the year ended 31 March 2018 and provided for the same on account of uncertainity of its collections.

(iv) Under previous GAAP, the Company classified repossessed assets under other current assets. Under Ind AS, repossessed assets have been classified as Loans. The total value of repossessed assets at 31 March 2018 is INR 19,171 lakhs and INR 12,504 lakhs as at 1 April 2017. Further, the aforesaid repossessed assets have also been subject to the impairment assessment under Ind AS 109. These contracts have been classified as stage 3 contracts for the purposes of the expected credit loss model. Under previous GAAP, these assets were valued by the Company's in-house team and measured at lower of amounts due from the customer or net realisable value. The difference between the impairment as per Ind AS 109 and previous GAAP has been recognised under impairment loss allowance on loans.

(v) Assignment of loan portfolio

The Company derecognises the loan portfolio assigned to assignees in compliance with the derecognition criteria. Under previous GAAP, interest income spread on the loan portfolio assigned (net of minimum retention ratio) was recognised in the statement of profit and loss as and when it was accrued, i.e., over the life of the tenure of the assignment transaction. Under Ind AS, such interest income is recognized upfront i.e., at the time of assignment transaction.

This has resulted in increase in equity as on 1 April 2017 by INR 5,046 Lakhs and as on 31 March 2018 by INR 6,442 Lakhs.

The impact arising from the change is summarized as follows:

		Year ended 31 Mar 2018
Statement of profit and loss - Increase / (decrease) in profit		
Net gain on derecognition of financial instruments		7,879
Interest on other receivables		514
Reversal of excess interest spread		(5,749)
Impairment loss on other receivables		(1,247)
Adjustment before income tax		**1,397**
	As at 1 Apr 2017	**As at 31 Mar 2018**
Balance sheet		
Increase in other receivables	5,046	7,690
Impairment on other receivables	-	(1,247)
Adjustment to retained earnings	**5,046**	**6,443**

* Consequent decrease in other receivables

(vi) Securitisation of loans

Under Ind AS, the securitisation of loan portfolio does not meet the derecognition criteria under Ind AS 109. Accordingly, the Company has reinstated the loan portfolio in the books for transactions entered into during the financial year 2017-18. A corresponding liability is recognised for the amounts received from the transferee and disclosed as borrowings in the balance sheet. Consequently, the Company has recognised interest income on the underlying loans and also recognised interest expense for the sums payable. For transactions up to 1 April 2017, no adjustments have been made in line with the exemptions available in Ind AS 101.

The impact arising from the change is summarized as follows:

		Year ended 31 Mar 2018
Statement of profit and loss		
Interest income from financing activities		1,431
Finance costs		(1,431)
Adjustment before income tax		**-**
	As at 1 Apr 2017	**As at 31 Mar 2018**
Balance sheet		
Loans	-	59,105
Borrowings	-	(59,105)
Adjustment to retained earnings	**-**	**-**

(vii) Borrowings at amortised cost

Based on Ind AS 109, financial liabilities in the form of borrowings have been accounted at amortised cost using effective interest rate method. Accordingly, upfront transaction costs have been included in the effective interest rate computations and disclosed as interest cost in the statement of profit and loss. Under previous GAAP, these costs were amortised on a straight line basis over the tenure of the loan and disclosed under finance costs (as amortisation of processing fee). The unamortised component were disclosed under prepaid expenses under previous GAAP.

The impact arising from the change is summarized as follows:

		Year ended 31 Mar 2018
Statement of profit and loss		
Finance costs		9
Adjustment before income tax		**9**
	As at 1 Apr 2017	**As at 31 Mar 2018**
Balance sheet		
Reduction in unamortised borrowings cost*	(49)	(40)
Adjustment to retained earnings	**(49)**	**(40)**

* Consequent increase in borrowings

(viii) Share based payments measurement

The Company granted cash-settled share-based payments to certain employees. The Company accounted for these share-based payment arrangements by reference to their intrinsic value under previous GAAP. Under Ind AS, the related liability has been adjusted to reflect the fair value of the outstanding cash-settled shared-based payments. The charge for the financial year ended 31 March 2018 is higher by INR 79 lakhs.

(ix) Remeasurement of post-employment benefit obligations

Under the previous GAAP, actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability was forming part of the profit or loss for the year. However under Ind AS, such actuarial gains and losses are recognised in other comprehensive income. However, there is no major change on the total comprehensive income and total equity as at April 1, 2017 and March 31, 2018.

(x) Other comprehensive income ('OCI')

Under Previous GAAP, there was no concept of OCI. Under Ind AS, fair valuation of certain loans, investments in pass through certificates and debt securities whose business model is "held to collect and sell" and re-measurement of defined benefit plan liability are recognised in OCI.

(xi) Deferred tax

Previous GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences arising on account of transition adjustments. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

48 Transfer pricing

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

49 Specified Bank Notes (SBNs)

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

50 The disclosures required in terms of Annexure XIV of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 1 September 2016 (Updated as on 22 February 2019) “Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are given in Annexure A forming part of these Financial Statements.

51 The disclosures required in terms of Annexure II of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are given in Annexure B forming part of these Financial Statements.

52 Subsequent events

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/ W-100022

Ashish Gupta
Partner
Membership No: 215165

Place : Chennai
Date : 22nd May, 2019

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
Chief Executive Officer

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Chennai
Date : 22nd May, 2019

Annexure A

Disclosures required in terms of Annexure XIV of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 1 September 2016 (Updated as on 22 February 2019) "Master Direction - Non-Banking Financial Company - Systemically Important Non - Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

A. Capital

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
CRAR %	16.97%	16.95%
CRAR - Tier I Capital %	11.06%	12.01%
CRAR - Tier II Capital %	5.91%	4.94%
Amount of subordinated debt raised as Tier II Capital (INR in lakhs)	89,300	71,500
Amount raised by issue of perpetual debt instruments (INR in lakhs)	Nil	Nil

Note : Capital to risk asset ratio (CRAR) has been arrived on the basis of Ind AS financial statements for the current and comparative period and in consideration of the following:

a. Gain on fair valuation of loans measured at FVTOCI amounting to INR 30,028 lakhs has been considered for Tier II capital

b. Expected credit Loss (ECL) provision on Stage 1 and Stage 2 assets is considered as contingency provision for the purposes of Tier II Capital

c. Inter corporate deposits made to the Companies under the same Group has been deducted from net-owned funds (Also refer note 46)

d. Receivable from HLF Services Limited (Associate Company): These balances are receivables from services rendered and are not loan balances. Therefore, these have not been deducted from net-owned funds

e. ECL provision with respect to stage 3 assets has been netted off in determination of risk weighted assets

B. Investments

#	Particulars			As at 31 Mar 2019	As at 31 Mar 2018
1	**Value of investment**				
	(i)	Gross value of investment			
		(a)	In India	1,28,713	1,01,895
		(b)	Outside India	Nil	Nil
	(ii)	Provision for depreciation			
		(a)	In India	Nil	701
		(b)	Outside India	Nil	Nil
	(iii)	Net Value of Investment			
		(a)	In India	1,28,713	1,01,194
		(b)	Outside India	Nil	Nil
2	Movement of provisions held towards depreciation on investments				
	(i)	Opening balance		701	701
	(ii)	Add : Provisions made during the year		-	-
	(iii)	Less : Write-off / write-back of excess provisions during the year		(701)	-
	(iv)	Closing balance		-	701

Note: Previous year balances have been reported on the basis of the Ind AS financial statements.

C. Derivatives

There have been no forward rate contracts / interest rate swaps or any other derivative transactions carried out by the Company during the year ended 31 March 2019 and 31 March 2018.

D. Disclosures relating to securitisation

i) Outstanding amount of securitised assets as per the books of the SPVs

#	**Particulars**	As at 31 Mar 2019	As at 31 Mar 2018
1	No of SPVs sponsored for securitisation transactions	4	5
2	Total amount of securitised assets as per the books of the SPVs sponsored	43,282	86,232
3	Total amount of exposure retained by the NBFC to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposure		
	- First loss	-	-

#	Particulars	As at 31 Mar 2019	As at 31 Mar 2018
	- Others	-	-
	b) On-balance sheet exposure		
	- First loss	7,425	10,502
	- Others	1,937	3,662
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposure		
	i) Exposure to own securitisation		
	- First loss	-	-
	- Others	4,552	4,552
	ii) Exposure to third party securitisation		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisation		
	- First loss	-	-
	- Others	4,164	3,916
	ii) Exposure to third party securitisation		
	- First loss	-	-
	- Others	61,578	21,972

Note: The above are inclusive of the securitisation transactions which have not been de-recognised in the books of account in accodance with Ind AS 109.

ii) Details of financial assets sold to securitisation / reconstruction company for asset reconstruction

The Company has not sold financial assets to securitisation / reconstruction company for asset reconstruction during the year (previous year Nil), (also refer note D(iv) to Annexure A)

iii) Details of assignment transactions undertaken

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Number of accounts	33,394	22,721
Aggregate value (net of provisions) of accounts sold	3,80,796	2,04,157
Aggregate consideration	3,80,796	2,04,157
Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
Aggregate gain/ loss over net book value	Nil	Nil

iv) Details of non-performing financial assets purchased/ sold

i) Details of non-performing financial assets purchased

The Company has not purchased any non-performing assets during the financial year ended 31 March 2019 and 31 March 2018.

ii) Details of non-performing financial assets sold

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Number of accounts sold	-	40,030
Aggregate outstanding, net of provisions	-	20,000
Aggregate consideration received	-	20,000

Note: The Company has not de-recognised these assets in accordance with Ind AS 109 read with Ind AS 110.

v) Details of net book value of investments in security receipts

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Backed by non-performing assets sold by the Company as underlying	17,000	17,000
Backed by non-performing assets sold by other banks / financial institutions / nonbanking financial companies as underlying	Nil	Nil
Total book value of investments in security receipts	17,000	17,000

Note: Refer note D(iv) to Annexure A

E. Assets liability management maturity pattern of certain items of assets and liabilities

As at 31 March 2019

Particulars	Upto 30/31 days	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Deposits									-
Advances *	59,435	83,332	1,14,543	1,72,065	2,85,740	6,54,861	2,15,653	1,89,584	17,75,213
Investment	6,353	5,203	4,756	13,765	47,330	26,467	5,839	19,000	1,28,713
Borrowings	40,499	94,102	1,30,671	1,31,855	2,58,229	7,72,834	1,84,562	65,033	16,77,785
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

* Advances for the purpose of the above;

- the advances are gross of impairment loss allowance
- includes dealer trade advances amounting to INR 85,799 and included in the ratio of 15%, 40% and 45% in the first three buckets considering expected settlement
- excludes gain on fair valuation of loans amounting to INR 30,028
- excludes unamortised component of loan origination cost/income (net) amounting to INR 5,343
- includes repossessed assets amounting to INR 40,447 lakhs (net of expected credit loss), for which the cash inflows are expected to come over a 3 months period and included in the first three buckets equally

Note: Advances and borrowings are inclusive of the securitisation transactions which have not been de-recognised in the books of accounts in accordance with Ind AS 109.

As at 31 March 2018

Particulars	Upto 30/31 days	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances *	31,480	34,454	1,18,954	86,541	1,86,156	5,68,379	2,14,281	1,66,806	14,07,051
Investment	2,335	2,335	2,335	4,974	14,010	61,172	2,031	12,002	1,01,194
Borrowings	8,264	7,723	1,41,902	65,925	1,97,724	6,64,792	1,91,373	38,013	13,15,716
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

Advances for the purpose of the above;

- the advances are gross of impairment loss allowance
- includes dealer trade advances amounting to INR 71,256 and included in the ratio of 15%, 40% and 45% in the first three buckets considering expected settlement
- excludes unamortised component of loan origination cost/income (net) amounting to INR 4,259
- includes repossessed assets amounting to INR 16,339 lakhs (net of expected credit loss) , for which the cash inflows are expected to come over a 3 months period and included in the first three buckets equally

Note: Advances and borrowings are inclusive of the securitisation transactions which have not been de-recognised in the books of accounts in accordance with Ind AS 109.

F. Exposures

1 Exposure to real estate sector

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018
A	**Direct exposure**		
(i)	Residential mortgages	1,66,416	1,36,442
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower of that is rented; (Individual housing loans up to INR 15 lakh may be shown separately)		
(ii)	Commercial real estate	67,271	90,109
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits		
(iii)	Investments in mortgage backed securities (MBS) and other securitised exposures		
	a. Residential	Nil	Nil
	b. Commercial real estate	Nil	Nil
B	**Indirect exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	35,183	17,180

2 Exposure to capital market

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018
A	**Direct exposure**		
i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	15,002	12,002
ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018
iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii)	bridge loans to companies against expected equity flows / issues;	-	-
viii)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to capital market	**15,002**	**12,002**

G. Details of financing of parent company products

	As at 31 Mar 2019	As at 31 Mar 2018
Loan outstanding as at year end out of the amount financed to parent company products (i)	5,39,813	5,45,483
Company portfolio (ii)	17,97,087	13,99,208
Percentage of financing for parent product upon Company's portfolio ((i) / (ii))	30.04%	38.99%
advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-

Note:

i) Company portfolio is gross of impairment loss allowance.

ii) Previous year balances have been reported on the basis of Ind AS financial statements.

iii) Loan outstanding as at year end out of the amount financed to parent company products does not include contracts that have been sold as part of assignment transactions.

H. Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL)

The Company has not exceeded the prudential exposure limits during the year ended 31 March 2019 and 31 March 2018.

I. Unsecured advances

	As at 31 Mar 2019	As at 31 Mar 2018
a) Unsecured advances	1,26,012	80,756
b) The Company has not granted any advances against intangible securities (31 March 2018: Nil).		

Note :

1 Previous year balances have been reported on the basis of the Ind AS financial statements.

2 Unsecured advances includes inter-corporate deposits (also refer note 46) and dealer trade advances.

J. Registration/ licence/ authorization obtained from other financial sector regulators

Registration/ License	Authority issuing the registration/ license	Registration/ License reference
Certificate of registration	Reserve Bank Of India	N-07-00782 dated 22 March 2010
NBFC-AFC -Regularization	Reserve Bank Of India	DNBS.Che/2165/ 13.27.068/2013-14 dated 12 May 2014

K. Disclosure of penalties imposed by RBI and other regulators

There has been no penalty imposed by RBI and other regulators during the year ended 31 March 2019 and 31 March 2018.

L. Related Party Transactions

Refer Note 39 and 46 to the Ind AS financial statements.

M. Ratings assigned by credit rating agency and migration of ratings during the year

Facility / Rating agency	Rating assigned			
	CRISIL	CARE	ICRA	India Rating
Redeemable non-convertible debentures	AA-	AA-	Not applicable	Not applicable
Subordinated redeemable non-convertible debentures	AA-	AA-	AA-	AA-

Facility / Rating agency	Rating assigned			
	CRISIL	CARE	ICRA	India Rating
Commercial paper	A1+	A1+ *	Not applicable	Not applicable
Bank facilities	AA-	AA-	Not applicable	Not applicable
Date of rating	08-Jan-19	24-Aug-18	17-Sep-18	20-Sep-18

* date of rating - 20 February 2019

N. Remuneration of Directors

Refer Note 39 to the Ind AS financial statements.

O. Provisions and contingencies

Break up of provisions and contingencies shown in the statement of profit and loss

	Year ended 31 Mar 2019	Year ended 31 Mar 2018
Provision for depreciation on investment	-	-
Provision towards expected credit loss	18,558	20,466
Provision made towards income tax	14,721	9,474
Other provisions and contingencies	-	-

P. Draw down from reserves

	As at 31 Mar 2019	As at 31 Mar 2018
Drawdown from reserves	-	-

Q. Concentration of deposits

Not applicable

R. Concentration of advances*, exposure# and Stage 3 assets

	As at 31 Mar 2019	As at 31 Mar 2018
Concentration of advances		
Total advances to twenty largest borrowers	73,662	63,612
Percentage of Advances to twenty largest borrowers to Total Advances ** of the NBFC	4.10%	4.55%
Concentration of exposures		
Total Exposure to twenty largest borrowers / customers	1,06,304	87,983
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	5.92%	7.01%
Concentration of stage 3 assets		
Total exposure to top four stage 3 assets	2,652	1,388

* Advances represents the outstanding balances as at the respective year end

Exposure represents the total amount financed as at the respective year end

Represents Company portfolio as mentioned in Note G to the Annexure A.

S. Sector wise Stage 3 assets (Gross) #

Particulars	% of Stage 3 assets to total advances in that sector
Agriculture & allied activities	10.06%
MSME	8.65%
Corporate borrowers **	Nil
Services	Nil
Unsecured personal loans	Nil
Auto loans	8.23%
Other personal loans	Nil

** corporate borrowers is included in the respective sector

excluding repossessed assets amounting to INR 64,988 lakhs (31 March 2018: INR 24,065)

T. Movement of Stage 3 assets

Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
(i) Net Stage 3 assets to Net Advances (%)		
(a) on total asset under management (refer note 1)	3.04%	3.07%
(b) on own book asset under management (refer note 2)	4.12%	4.03%
(ii) Movement of Stage 3 assets (Gross)		
(a) Opening balance	97,777	77,367
(b) Additions during the year	1,09,286	95,472
(c) Reductions during the year	88,021	75,062
(d) Closing balance	1,19,042	97,777
(iii) Movement of Net Stage 3 assets		
(a) Opening balance	57,572	52,611
(b) Additions during the year	86,356	75,989
(c) Reductions during the year	68,051	71,028
(d) Closing balance	75,876	57,572
(iv) Movement of provisions for Stage 3 assets (excluding provisions on stage 1 and 2 assets)		
(a) Opening balance	40,205	24,756
(b) Provisions made during the year	22,930	19,483
(c) Write-off / write-back of excess provisions	19,970	4,034
(d) Closing balance	43,166	40,205

Note:

1 For the purpose of the Net Stage 3 assets to Net Advances % on total asset under management, Net advances include retail loans, corporate term loans, inter-corporate deposits, repossessed assets, assigned contract balances, investment in pass through securities, investment in debentures, investment in funds and dealer trade advances/ balances.

2 For the purpose of the Net Stage 3 assets to Net Advances % on own book asset under management, Net advances include retail loans, corporate term loans, inter-corporate deposits, repossessed assets and dealer trade advances/ balances.

3 Expected loss allowances for stage 1, stage 2 and repossessed assets has not been netted off for determination of Net advances.

4 Stage 3 assets (Gross) excludes repossessed assets amounting to INR 64,988 lakhs (31 March 2018: INR 24,065)

5 Provision for stage 3 assets excludes provision on repossessed assets amounting to INR 24,541 (31 March 2018: INR 8,830).

6 Stage 3 assets (net) excludes repossessed assets net of provisions amounting to INR 40,447 lakhs (31 March 2018: INR 15,235)

U. Overseas assets (for those with joint ventures and subsidiaries abroad)

The Company does not have any joint ventures and subsidiaries abroad during the year ended 31 March 2019 and 31 March 2018 and hence this disclosure is not applicable.

V. Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

There were no off-balance sheet SPVs sponsored by the Company during the year ended 31 March 2019 and 31 March 2018.

W. Customer complaints*

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
No. of complaints pending at the beginning of the year	128	88
No. of complaints received during the year	7,003	4,544
No. of complaints redressed during the year	6,778	4,504
No. of complaints pending at the end of the year	353	128

* As per the records of the Company

X. Disclosure of Frauds as per the Master Direction DNBS. PPD.01/66.15.001/2016-17, dated 29 September 2016

	Less than ₹1 Lakh		₹1 Lakh to ₹ 25 Lakhs		Above ₹25 Lakhs	
	No's	Value	No's	Value	No's	Value
Person involved						
Staff	-	-	1	3	-	-
Staff and Outsiders	-	-	-	-	-	-
Total	**-**	**-**	**1**	**3**	**-**	**-**
Type of fraud						
Misappropriation and criminal breach of trust	-	-	1	3	-	-
Cheating and forgery	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**-**	**-**	**1**	**3**	**-**	**-**

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
Chief Executive Officer

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Chennai
Date : 22nd May, 2019

Annexure B: Disclosure required as per Annexure II of the Master Direction DNBR PD 008/03.110.119/2016-17 issued by RBI

		Particulars	Amount Outstanding as at		Amount overdue as at	
			31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
1	**Liabilities: Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid**					
	(a)	Debentures				
		-Secured	1,93,431	2,38,126	Nil	Nil
		-Unsecured	Nil	Nil	Nil	Nil
	(b)	Subordinated liabilities	1,35,408	1,03,215	Nil	Nil
	(c)	Deferred credits	Nil	Nil	Nil	Nil
	(d)	Term loans	11,99,224	8,50,856	Nil	Nil
	(e)	Inter-corporate loans and borrowings	Nil	Nil	Nil	Nil
	(f)	Public deposits	Nil	Nil	Nil	Nil
	(g)	Commercial paper	1,12,941	73,791	Nil	Nil
	(h)	Other loans (Represents cash credits and working capital demand loans from banks)	36,781	49,728	Nil	Nil
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)**					
	(a)	In the form of Unsecured debentures	Nil	Nil	Nil	Nil
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil	Nil	Nil
	(c)	Other public deposits	Nil	Nil	Nil	Nil

Assets Side

		Particulars	Amount outstanding as at	
			31 Mar 2019	31 Mar 2018
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]**			
	(a)	Secured	15,98,775	12,59,298
	(b)	Unsecured	1,26,012	80,756
4	**Break up of Leased Assets and Stock on Hire and other Assets counting towards asset financing activities**			
	(i)	Lease Assets including Lease rentals under sundry debtors:		
		(a) Financial Lease	Nil	Nil

		Particulars	Amount outstanding as at 31 Mar 2019	Amount outstanding as at 31 Mar 2018
		(b) Operating Lease	Nil	Nil
	(ii)	Stock on hire including hire charges under sundry debtors:		
		(a) Assets on hire	Nil	Nil
		(b) Repossessed Assets	Nil	Nil
	(iii)	Other Loans counting towards asset financing activities		
		(a) Loans where assets have been repossessed (net of impairment loss allowance)	40,447	15,235
		(b) Loans other than (a) above	16,84,340	13,24,819
5	**Breakup of investments**			
	Current Investments			
	I	Quoted:		
	(i)	Shares : (a) Equity	Nil	Nil
		(b) Preference	Nil	Nil
	(ii)	Debentures and Bonds	33,300	8,281
	(iii)	Units of Mutual Fund	Nil	Nil
	(iv)	Government Securities	Nil	Nil
	(v)	Others (Please Specify)	Nil	Nil
	II	Unquoted:		
	(i)	Shares : (a) Equity	Nil	Nil
		(b) Preference	Nil	Nil
	(ii)	Debentures and Bonds	Nil	Nil
	(iii)	Units of Mutual Fund	Nil	Nil
	(iv)	Government Securities	Nil	Nil
	(v)	Others (Pass through securities)	41,784	17,708
	Long term investments			
	I	Quoted:		
	(i)	Shares : (a) Equity	Nil	Nil
		(b) Preference	Nil	Nil
	(ii)	Debentures and Bonds	8,833	45,332
	(iii)	Units of Mutual Funds	Nil	Nil
	(iv)	Government Securities	Nil	Nil
	(v)	Others (Please Specify)	Nil	Nil
	II	Unquoted:		
	(i)	Shares : (a) Equity	15,002	12,002
		(b) Preference	Nil	Nil

		Particulars	Amount outstanding as at	
			31 Mar 2019	31 Mar 2018
	(ii)	Debentures and Bonds	Nil	Nil
	(iii)	Units of Mutual Funds	10,000	10,000
	(iv)	Government Securities	Nil	Nil
	(v)	Others (Pass through securities and security receipts)	19,794	7,871

6 Borrower group-wise classification of assets financed as in (3) and (4) above

	Category	Amount, net of provisions					
		As at 31 Mar 2019			As at 31 Mar 2018		
		Secured	Unsecured	Total	Secured	Unsecured	Total
a.	Related parties						
	(i) Subsidiaries	-	-	-	-	-	-
	(ii) Companies in the same group	-	39,500	39,500	-	4,500	4,500
	(iii) Other related parties		-	-	-	-	-
b.	Other than related parties	16,85,287	-	16,85,287	13,35,554	-	13,35,554
	Total	**16,85,287**	**39,500**	**17,24,787**	**13,35,554**	**4,500**	**13,40,054**

7 Investor group-wise classification of all Investments (Current and Long-term) in Shares and Securities (both quoted and unquoted)

	Particulars	As at 31 Mar 2019		As at 31 Mar 2018	
		Market value/ Break up of fair value or NAV	Book value (Net of provisions)	Market value/ Break up of fair value or NAV	Book value (Net of provisions)
1	**Related Parties**				
	(a) Subsidiaries	15,000	15,000	12,000	12,000
	(b) Companies in the same group	2	2	2	2
	(c) Other Related Parties	-	-	-	-
2	Other than Related Parties	-	-	-	-
	Total	**15,002**	**15,002**	**12,002**	**12,002**

8 Other information

	Particulars	As at 31 March 2019	As at 31 March 2018
(i)	Gross Stage 3 assets		
	a) Related Parties	Nil	Nil
	b) Other than related parties	1,19,042	97,776
(ii)	Net Stage 3 assets		
	a) Related Parties	Nil	Nil
	b) Other than related parties	75,876	57,572
(iii)	Assets Acquired in satisfaction of Debt	Nil	Nil

Note:

1 Stage 3 assets (Gross) excludes repossessed assets amounting to INR 64,988 lakhs (31 March 2018: INR 24,065 lakhs)

2 Stage 3 assets (net) excludes repossessed assets net of provisions amounting to INR 40,447 lakhs (31 March 2018: INR 15,235 lakhs)

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
Chief Executive Officer

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Chennai
Date : 22nd May, 2019

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Hinduja Leyland Finance Limited (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income) , consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such associate as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
Adoption of new accounting framework (Ind AS) Effective 1 April 2018, the Group adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017. The migration to the new accounting framework is a complicated process involving multiple decision points upon transition including regulatory matter related compliances. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date. We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above. Refer to the accounting policies in the Consolidated Financial Statements: Significant Accounting Policies- "Basis of preparation" and "Note 47 to the Consolidated Financial Statements: Transition date choices and application	Our audit procedures included: • Assessing the operating effectiveness of internal controls over transition and exemptions availed in line with the principles under Ind AS 101. • Evaluated management's assessment of transition choices, impact of transition, accuracy of computations and related disclosures. • Understood the methodology implemented by management to give impact on the transition. • Assessed areas of significant estimates and management judgment in line with principles under Ind AS.
Classification and measurement of Financial assets – Business model assessment Ind AS 109, Financial Instruments, contains three principal classification and measurement categories for financial assets. A financial asset, such as loans to customers, is classified into a measurement category at inception and is reclassified only in rare circumstances. The assessment as to how an asset should be classified is made on the basis of both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.	Our audit procedures included: • Assessing the design, implementation and operating effectiveness of internal controls for classification of financial assets on the basis of management's intent. • For financial assets classified at amortised cost, we tested controls over the classification of such assets and subsequent measurement of assets at amortised cost. Further, we tested internal controls over monitoring of such financial assets to check whether there have been any subsequent sales of financial assets classified at amortised cost. • For financial assets classified as fair value through other comprehensive income refer the section on "Valuation of financial instruments" for the procedures performed.

Key audit matter	How the matter was addressed in our audit
The management has assessed the business model of the Holding Company on the basis of its business plan and history of sales of financial assets and consequently, classified and measured certain financial assets at fair value through other comprehensive income effective 1 April 2018. We identified business model assessment as a key audit matter because of the management judgement involved in determining the intent for selling / holding a financial asset which could lead to different classification and measurement outcomes of the financial assets and its significance to the financial statements of the Group. Refer to the accounting policies in the Consolidated Financial Statements: Significant Accounting Policies- "Classification and measurement of financial assets" and "Note 9 to the Consolidated Financial Statements: Loans.	• Test of details over of classification and measurement of financial assets in accordance with management's intent. • We selected a sample of financial assets sold during the year, to evaluate the accounting under Ind AS 109 and to verify if there have been sales of financial assets classified at amortised cost.
Valuation of financial instruments Financial instruments carried at fair value and measured at fair value through other comprehensive income, account for a significant part of the Group's assets. The valuation of the Holding Company's financial instruments is based on a combination of market data and valuation models which often require significant management judgement. We identified assessing the fair value of financial instruments as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and because of the significant degree of judgement exercised by management in determining the inputs used in the valuation models. Refer to Note 4 and Note 45 to the Consolidated financial statements for accounting policy, valuation and the related disclosures in respect of the financial instruments.	Our audit procedures include: • Obtained an understanding of the fair valuation methodology; • Obtained valuation reports, considered by the Group; • Engaging independent valuation specialists to assist us in the evaluation of valuation models used by the Group. • Assessed the appropriateness of the valuation methodology and testing the key inputs used.

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
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Impairment of Financial assets

The determination of loan impairment is inherently judgmental and relies on management's best estimate of a variety of inputs.

Pursuant to Ind AS 109, the Group's impairment allowance is derived from estimates including historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors:

1. Segmentation of the loans to customers
2. Loan staging criteria
3. Calculation of probability of default and loss given default
4. Probability of economic factors
5. Complexity of disclosures

There is also a large increase in the data inputs required under the expected credit loss model.

As set out in note 47(5)(ii) to the Consolidated financial statements, the Group has disclosed an estimate of the impact of transition to Ind AS.

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Our audit approach included:

- Evaluating appropriateness of impairment principles under Ind AS 109;
- Assessing the design and implementation of controls over loan impairment process and management review processes over the calculation of provisions;
- Assess management review controls over measurement and disclosures;
- Engage independent modelling specialist to test the methodology and reasonableness of assumptions;
- Model calculations were tested through re-performance where possible.
- Test of details over of calculation of impairment allowance for assessing completeness and accuracy of data.
- Verify the appropriateness of management's judgment in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used, and the valuation of recovery assets and collateral.

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IT System and controls over financial reporting

The Group's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.

Automated accounting procedures and IT environment controls, which include controls over program development and changes, access to programs and data and IT operations, are required to be designed and operate effectively to ensure appropriate financial reporting.

Consequently, we identified IT systems and controls over financial reporting as a key audit matter.

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Our audit procedures included:

- Test controls over the information technology environment, including system access and change management;
- Test considered the appropriateness of the access rights granted to applications relevant to financial accounting and reporting systems and the operating effectiveness of controls over granting, removal and appropriateness of access rights;
- Evaluating the design and operating effectiveness of automated controls critical to financial accounting and reporting. For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures.

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Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. The other information (information included in the Holding Company's annual report, but does not include the financial statements and our auditor's report thereon) is expected to be made available to us after the date of this auditor's report.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company 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.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 with reference to financial statements 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

The consolidated financial statements include the Group's share of net profit (and other comprehensive income) of ₹ 62 lakhs for the year ended 31 March 2019, in respect of one associate, whose financial statement have not been audited by us. These financial statement have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the audit reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such associate as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company incorporated in India as on 31 March 2019 taken on record by the Board of

Directors of the Holding Company and its subsidiary, respectively and the reports of the statutory auditor of its associate company incorporated in India, none of the directors of the Group companies and its associate company is disqualified as on 31 March 2019 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 with reference to consolidated financial statements of the Holding Company its subsidiary company incorporated in India associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the associate as noted in the ‘Other Matters’ paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group and its associates. Refer Note 38 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company and associate companies incorporated in India during the year ended 31 March 2019.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the Consolidated financial statements since they do not pertain to the financial year ended 31 March 2019

C. With respect to the matter to be included in the Auditor’s report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditor of associate company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary company and associate company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary company and associate companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Ashish Gupta
Partner

Membership No. 215165

Place : Chennai
Date : 22nd May, 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Hinduja Leyland Finance Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associate company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary company and its associate company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant associate company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one associate company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165

Place : Chennai
Date : 22nd May, 2019

Consolidated Balance Sheet
As at 31st March 2019

HINDUJA LEYLAND FINANCE

INR In Lakhs

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
ASSETS				
Financial Assets				
Cash and cash equivalents	6	25,354	13,562	2,799
Bank balance other than cash and cash equivalents	7	11,700	15,132	6,675
Receivables	8			
(i) Trade receivables		-	-	-
(ii) Other receivables		15,631	6,442	5,045
Loans	9	18,55,360	14,34,419	10,55,295
Investments	10	1,18,868	92,175	75,798
Other financial assets	11	1,02,408	83,097	48,066
		21,29,321	**16,44,827**	**11,93,678**
Non-Financial Assets				
Current tax assets (net)		7,462	3,306	349
Deferred tax assets (net)	33	-	13,187	11,735
Property, plant and equipment	12	5,107	4,816	4,695
Capital work-in-progress		-	-	109
Other intangible assets	12A	32	38	58
Other non-financial assets	13	1,560	982	1,094
		14,161	**22,329**	**18,040**
TOTAL ASSETS		**21,43,482**	**16,67,156**	**12,11,718**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade payables	14			
(i) dues of micro enterprises and small enterprises		-	-	-
(ii) dues other than micro enterprises and small enterprises		357	123	229
Debt securities	15	1,93,431	2,38,126	2,70,501
Borrowings (other than debt securities)	16	14,67,268	10,59,911	6,82,405
Subordinated liabilities	17	1,35,408	1,03,215	68,144
Other financial liabilities	18	68,593	60,963	50,921
		18,65,057	**14,62,338**	**10,72,200**
Non-Financial Liabilities				
Provisions	19	252	274	317
Deferred tax liabilities (net)	33	785	-	-
Other non-financial liabilities	20	663	660	474
		1,700	**934**	**791**
EQUITY				
Equity share capital	21	46,967	45,644	41,216
Other equity	22	2,29,758	1,58,240	97,511
		2,76,725	**2,03,884**	**1,38,727**
TOTAL LIABILITIES AND EQUITY		**21,43,482**	**16,67,156**	**12,11,718**
Significant accounting policies	2,3,4&5			

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/ W-100022

Ashish Gupta
Partner
Membership No: 215165

Place : Chennai
Date : 22nd May, 2019

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
Chief Executive Officer

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Chennai
Date : 22nd May, 2019

Consolidated Statement of profit and loss
For the year ended 31st March 2019

HINDUJA LEYLAND FINANCE

INR In Lakhs

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations			
Interest income	23	2,39,205	1,84,635
Fees and commission income	24	4,833	5,346
Net gain on derecognition of financial instruments	25	16,816	7,879
Income from other services	26	10,305	9,468
Total revenue from operations		**2,71,159**	**2,07,328**
Expenses			
Finance costs	27	1,40,197	1,05,871
Fees and commission expense	28	6,229	4,514
Impairment on financial instruments	29	57,295	51,104
Employee benefits expenses	30	12,207	8,140
Depreciation, amortization and impairment	31	721	639
Others expenses	32	8,881	7,134
Total expenses		**2,25,530**	**1,77,402**
Profit before share of profit of equity accounted investee and income tax		**45,629**	**29,926**
Share of profit of equity accounted investee (net of income tax)		111	42
Profit before tax		**45,740**	**29,968**
Tax expense:			
Current Tax		13,894	11,620
Deferred tax charge/(credit)	33	1,803	(1,468)
		15,697	**10,152**
Profit for the year		**30,043**	**19,816**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		142	46
(ii) Income tax relating to items that will not be reclassified to profit or loss		(49)	(16)
(B) (i) Items that will be reclassified to profit or loss			
Gain on fair valuation of loans		30,028	-
Changes in allowances for expected credit losses		4,646	-
(ii) Income tax relating to items that will be reclassified to profit or loss		(12,120)	-
Total other comprehensive income		**22,647**	**30**
Total comprehensive income		**52,690**	**19,846**
Earnings per equity share (face value ₹10 each)	34		
- Basic (in ₹)		6.55	4.59
- Diluted (in ₹)		6.55	4.58
Significant accounting policies	2,3,4&5		

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/ W-100022

Ashish Gupta
Partner
Membership No: 215165

Place : Chennai
Date : 22nd May, 2019

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
Chief Executive Officer

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Chennai
Date : 22nd May, 2019

INR In Lakhs

	Particulars	Number of shares	Amount
A.	**EQUITY SHARE CAPITAL**		
	Balance as at 1 April 2017	**41,21,55,921**	**41,216**
	Change in equity share capital during the year		
	Add: Issued during the year	4,42,82,047	4,428
	Balance as at 31 March 2018	**45,64,37,968**	**45,644**
	Change in equity share capital during the year		
	Add: Issued during the year	1,32,33,022	1,323
	Balance as at 31 March 2019	**46,96,70,990**	**46,967**

B. Other equity	Reserves and Surplus				Other items of Other Compre-hensive Income	Total
	Statutory Reserves	Securities Premium	Other Reserves - Employee stock option outstanding account	Retained Earnings		
Balance as at 1 April 2017	14,299	36,654	131	46,427	-	97,512
Share based expenses	-		84	-	-	84
Premium on issue of share capital	-	40,809	-	-	-	40,809
Profit for the year	-	-	-	19,805	-	19,805
Transfer to / from reserve	3,954	27	(27)	(3,954)	-	-
Other comprehensive income (net of tax)	-	-	-	-	30	30
Balance as at 31 March 2018	**18,253**	**77,491**	**188**	**62,278**	**30**	**1,58,240**
Share based expenses	-	-	105	-	-	105
Premium on issue of share capital	-	18,720	-	-	-	18,720
Profit for the year	-	-	-	30,045	-	30,045
Transfer to / from reserve	5,987	-	-	(5,987)	-	-
Other comprehensive income (net of tax)	-	-	-	-	22,647	22,647
Balance as at 31 March 2019	**24,240**	**96,211**	**293**	**86,336**	**22,677**	**2,29,758**
Significant accounting policies	2, 3, 4 & 5					

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/ W-100022

Ashish Gupta
Partner
Membership No: 215165

Place : Chennai
Date : 22nd May, 2019

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

Dheeraj G Hinduja
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Chief Executive Officer

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Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Chennai
Date : 22nd May, 2019

INR In Lakhs

	Year ended 31 Mar 2019	Year ended 31 Mar 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	**45,740**	**29,968**
Adjustments for:		
Depreciation and amortization	721	639
Provision for employee benefits	(22)	(43)
Provision for impairment on financial instruments	18,071	19,658
Impairment loss on other receivables	767	1,247
Bad debts written off	38,457	30,199
Share based payment	105	84
Amortisation of discount on commercial papers	8,157	3,180
Amortisation of ancillary costs relating to borrowings	1,295	865
OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES	**1,13,291**	**85,797**
Adjustments for (Increase) / Decrease in operating assets:		
Other receivables	(9,956)	(2,644)
Loans	(4,42,650)	(4,28,948)
Other financial assets	(19,311)	(35,031)
Other non- financial assets	(578)	112
Adjustments for Increase / (Decrease) in operating Liabilities:		
Trade payables	234	(106)
Other financial liabilities	7,630	10,042
Other non financial liabilities	3	186
Net cash (used in) operations	**(3,51,337)**	**(3,70,592)**
Taxes paid (net)	(18,050)	(14,577)
Net cash (used in) operating activities (A)	**(3,69,387)**	**(3,85,169)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in pass through securities (net)	(41,475)	(12,694)
Investment in redeemable non-convertible debentures (net)	14,782	(3,683)
Bank deposits (having original maturity of more than three months)	3,431	(8,457)
Purchase of fixed assets (tangible and intangible assets) including capital work-in-progress	(1,006)	(631)
Net cash (used in) investing activities (B)	**(24,268)**	**(25,465)**

INR In Lakhs

	Note	Year ended 31 Mar 2019	Year ended 31 Mar 2018
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares including securities premium (net)		20,044	45,238
Proceeds from borrowings		7,49,793	5,57,651
Repayments of borrowings		(3,75,830)	(2,67,052)
Proceeds from working capital loan / cash credit and commercial paper (net)		11,440	85,559
Net cash from financing activities (C)		**4,05,447**	**4,21,396**
Net increase in cash and cash equivalents (A+B+C)		11,792	10,762
Cash and cash equivalents at the beginning of the year		**13,562**	**2,799**
Cash and cash equivalents at the end of the year		**25,354**	**13,562**
COMPONENTS OF CASH AND CASH EQUIVALENTS	**6**		
Cash and cheques on hand		10,046	8,216
Balances with banks			
-In current accounts		15,308	5,346
		25,354	**13,562**
Operational cash flows from interest and dividends			
Interest paid		1,36,314	1,07,719
Interest received		11,722	9,250
Significant accounting policies	2,3,4&5		

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/ W-100022

Ashish Gupta
Partner
Membership No: 215165

Place : Chennai
Date : 22nd May, 2019

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

Dheeraj G Hinduja
Chairman
DIN No : 00133410

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Chief Executive Officer

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Chennai
Date : 22nd May, 2019

1 Reporting entity

Hinduja Leyland Finance Limited ('the Company'), incorporated on 12 November 2008 and headquartered in Chennai, India is a Non Banking Finance Company engaged in providing asset finance. The Company is a systemically important non deposit taking Non Banking Finance Company (ND-NBFC) as defined under Section 45 – IA of the Reserve Bank Of India Act, 1934. The Company has received the certificate of registration dated 22 March 2010 from the Reserve Bank of India ("RBI") to carry on the business of Non Banking Financial Institution without accepting public deposits ("NBFC-ND"). Subsequently the Company was granted Asset Finance Company status pursuant to certificate of registration received from RBI dated 12 May 2014 with registration number N-07.00782.

The subsidiary and associate of the Company are listed below:

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

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

The Company, subsidiary and associate are collectively referred to as Group.

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act'), other relevant provisions of the Act.

The Group's financial statements up to and for the year ended March 31, 2018 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 47.

These financial statements were authorized for issue by the Company's Board of Directors on May 22, 2019.

2.2 Presentation of financial statements

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

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

(i) The normal course of business

(ii) The event of default

2.3 Functional and presentation currency

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

2.4 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets	Fair value through other comprehensive income
Liabilities for equity-settled share-based payment arrangements	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.5 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments

In the process of applying the Group's accounting policies, management has made judgments, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

ii) Fair value of financial instruments

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

iii) Effective Interest Rate ("EIR") method

The Group's EIR methodology, as explained in Note 3.1(A), recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgment regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iv) Impairment of financial asset

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

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

a) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

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

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

v) Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Group's business.

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

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

These estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

3 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2019 including controlled structured entities. The Company consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group’s voting rights and potential voting rights, the size of the Group’s holding of voting rights relative to the size and dispersion of the holdings of the other and voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2019.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Recognition of Interest Income

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Group calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Group calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

4.2 Financial instrument - initial recognition

A. Date of recognition

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

B. Initial measurement of financial instruments

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

C. Measurement categories of financial assets and liabilities

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

i) Amortised cost

ii) FVOCI

iii) FVTPL

4.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

SPPI test

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

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

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

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

Accordingly, financial assets are measured as follows :

i) Financial assets carried at amortised cost (AC)

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

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

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

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

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

iv) Other equity investments

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

B. Financial liability

i) Initial recognition and measurement

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

ii) Subsequent measurement

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

4.4 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in the year ended 31 March 2019 and 31 March 2018.

4.5 Derecognition of financial assets and liabilities

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

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

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

i) Financial Assets

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

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

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

ii) Financial Liability

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

4.6 Impairment of financial assets

A. Overview of ECL principles

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

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

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

ii) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

Loan commitments:

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

B. Calculation of ECLs

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

PD:

Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD:

Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest

LGD:

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

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

The mechanics of the ECL method are summarised below:

Stage 1:

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

Stage 2:

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

Stage 3:

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

C. Loans and advances measured at FVOCI

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

D. Forward looking information

In its ECL models, the Group relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

i) Gross fixed investment (% of GDP)

ii) Oil price

iii) Interest rates

4.7 Write-offs

Financial assets are written off when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss

4.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

Level 3 financial instruments −Those that include one or more unobservable input that is significant to the measurement as whole.

4.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

A. Dividend income

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

B. Rental income

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

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income etc. are recognised on point in time basis.

E. Income from other services

Income from other services are recognised on a time proportionate basis.

4.10 Foreign currency transactions

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

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

4.11 Property, plant and equipment

i. Recognition and measurement

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

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

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

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

ii. Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iv. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss.

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

Asset category	Estimated Useful life
Buildings	20 years
Furniture and fittings	8 years
Office equipment	5 years
Servers and computers	3-6 years
Vehicles	5 years
Plant and machinery	5 years
Leasehold improvements	Primary lease period or three years, whichever is earlier

Leasehold improvements are depreciated over the remaining period of lease or estimated useful life of the assets, whichever is lower. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

4.12 Intangible assets

i. Intangible assets

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

ii. Subsequent expenditure

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

iii. Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

iv. Amortisation

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

Asset category	Estimated Useful life
Computer softwares	5 years

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

4.13 Impairment of non-financial assets

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

4.14 Employee benefits

i. Post-employment benefits

Defined contribution plan

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

Defined benefit plans

Gratuity

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

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

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

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

ii. Other long-term employee benefits

Compensated absences

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

iii. Short-term employee benefits

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

iv. Stock based compensation

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

4.15 Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are neither recognised not disclosed in the financial statements.

4.16 Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

4.17 Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

4.18 Borrowing cost

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

4.19 Cash and cash equivalents

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

4.20 Segment reporting- Identification of segments:

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

4.21 Earnings per share

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

4.22 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Group are segregated. Cash flows in foreign currencies are accounted at the actual rates of exchange prevailing at the dates of the transactions.

5 STANDARD ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from April 1, 2019

Ind AS 116 - Leases

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessor accounting under Ind AS 116 is similar to existing Ind AS 17 accounting.

The Group will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases, prospectively, using the modified prospective method with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an Group shall recognise the income tax consequences of dividends in the statement of profit or loss, other comprehensive income or equity according to where the Group originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the Group pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the Group has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the Group is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) Group has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment features with negative compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan amendment, curtailment or settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
6	**CASH AND CASH EQUIVALENTS**			
	Cash on hand	3,949	1,378	460
	Balances with banks	15,308	5,346	1,319
	Cheques, drafts on hand	6,097	6,838	1,020
	Total	**25,354**	**13,562**	**2,799**
	(i) Earmarked balances with banks	-	-	-
	(ii) Balances with bank to the extent held as margin money or security against the borrowings, guarantees, other commitments	-	-	-
	(iii) Repatriation restrictions in respect of cash and bank balances	-	-	-

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
7	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**			
	Bank deposits	11,700	15,132	6,675
	Total	**11,700**	**15,132**	**6,675**

Notes :

a) The bank deposits earn interest at fixed rates.

b) The Company has given fixed deposits as credit enhancement for securitisation transactions entered by it, amounting to INR 11,594 Lakhs (31 March 2018 : INR 14,423 Lakhs; 1 April 2017: INR 5,994 Lakhs).

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
8	**RECEIVABLES**			
	Trade receivables	-	-	-
	Other receivables			
	Receivables considered good - secured	17,645	7,689	5,045
	Less: Impairment loss allowance	(2,014)	(1,247)	-
	Total	**15,631**	**6,442**	**5,045**

9 Loans

INR in Lakhs

	Particulars	As at 31 Mar 2019			As at 31 Mar 2018			As at 1 Apr 2017		
		At amortised cost	At fair value through other compre-hensive income	Total	At amortised cost	At fair value through other compre-hensive income	Total	At amortised cost	At fair value through other compre-hensive income	Total
A	**Based on nature**									
	Retail loans	10,89,324	6,44,876	17,34,200	13,93,603	-	13,93,603	10,55,922	-	10,55,922
	Term loans	1,54,653	-	1,54,653	91,125	-	91,125	29,524	-	29,524
	Inter-corporate deposits	39,500	-	39,500	9,500	-	9,500	10,000	-	10,000
		12,83,477	**6,44,876**	**19,28,353**	**14,94,228**	**-**	**14,94,228**	**10,95,446**	**-**	**10,95,446**
	Less : Impairment loss allowance	(72,993)	-	(72,993)	(59,809)	-	(59,809)	(40,151)	-	(40,151)
	Total	**12,10,484**	**6,44,876**	**18,55,360**	**14,34,419**	**-**	**14,34,419**	**10,55,295**	**-**	**10,55,295**
B	**Based on Security**									
	(i) Secured by tangible assets	12,43,978	6,44,876	18,88,853	14,84,728	-	14,84,728	10,85,446	-	10,85,446
	(ii) Unsecured	39,500	-	39,500	9,500	-	9,500	10,000	-	10,000
	Total Gross Loans	**12,83,478**	**6,44,876**	**19,28,353**	**14,94,228**	**-**	**14,94,228**	**10,95,446**	**-**	**10,95,446**
	Less : Impairment loss allowance	(72,993)	-	(72,993)	(59,809)	-	(59,809)	(40,151)	-	(40,151)
	Total Net Loans	**12,10,484**	**6,44,876**	**18,55,360**	**14,34,419**	**-**	**14,34,419**	**10,55,295**	**-**	**10,55,295**
C	**Based on region**									
	(I) Loans in India									
	(i) Public Sector	-	-	-	-	-	-	-	-	-
	(ii) Others	12,83,478	6,44,876	19,28,353	14,94,228	-	14,94,228	10,95,446	-	10,95,446
	Total Gross	**12,83,478**	**6,44,876**	**19,28,353**	**14,94,228**	**-**	**14,94,228**	**10,95,446**	**-**	**10,95,446**
	Less:Impairment loss allowance	(72,993)	-	(72,993)	(59,809)	-	(59,809)	(40,151)	-	(40,151)
	Total (I)-Net	**12,10,484**	**6,44,876**	**18,55,360**	**14,34,419**	**-**	**14,34,419**	**10,55,295**	**-**	**10,55,295**
	(II) Loans outside India									
	Loans outside India									
	Total Gross	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Less:Impairment loss allowance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total (II)- Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total (I) and (II)	**12,10,484**	**6,44,876**	**18,55,360**	**14,34,419**	**-**	**14,34,419**	**10,55,295**	**-**	**10,55,295**

Notes:

1. The retail loans above includes loans amounting to INR 64,989 (31 March 2018: 24,065, 31 March 2017: 15,822) where the underlying securities have been repossessed by the Company. The Impairment loss allowance includes expected credit loss provision on the aforesaid loans amounting to INR 24,541 (31 March 2018: INR 8,830, 31 March 2017: INR 5,327)

2. **Security details**

   a) Retail loans are secured exposures that are secured by assets hypothecated to the company.

   b) Term loans are secured exposures that are secured by assets/ underlying portfolio provided to the company by the borrower.

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
10	**INVESTMENTS**		**at amortised cost**	
	Investments in equity instruments of associate			
	HLF Services Limited	246	135	96
	Investment in debentures (quoted)			
	Non-convertible redeemable debentures	40,133	54,613	54,232
	Investment in debentures (unquoted)			
	Non-convertible redeemable debentures	3,000	3,302	-
	Investment in pass-through certificates (unquoted)			
	Investment in pass-through certificates	65,489	24,826	12,171
	Investment in funds (unquoted)			
	Investment in funds	10,000	10,000	10,000
	Gross Investments	**1,18,868**	**92,876**	**76,499**
	(i) Investments outside India			
	(ii) Investments in India	1,18,868	92,876	76,499
	Gross Investments	**1,18,868**	**92,876**	**76,499**
	Less: Provision for diminution in value of investments	-	(701)	(701)
		1,18,868	**92,175**	**75,798**
	Details of equity accounted associate : 45.90% stake in HLF Services Limited			
	(i) Cost of investment (including Goodwill of INR NIL) on consolidation	2	2	2
	(ii) Share of profits	244	133	94
	Total	**246**	**135**	**96**
	Aggregate book value of unquoted investment in associate	246	135	96
	Aggregate book value of quoted investments	40,133	54,613	54,232
	Aggregate market value of quoted investments	40,133	54,613	54,232
	Aggregate book value of unquoted investments	78,489	38,128	22,171
	Aggregate amount of impairment in value of investments	-	(701)	(701)

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
11	**OTHER FINANCIAL ASSETS**			
	Receivables from related parties			
	Dues from HLF Services Limited (Associate Company)	11,359	6,463	5,531
	Dues from Gulf Ashley Motors Limited (Fellow Subsidiary)	713	39	2,378
	Dealer trade advances (Unsecured, considered good)	85,799	71,217	35,176
	Less: Impairment loss allowance	-	(651)	(651)
	Employee advances	97	132	111
	Interest accrued			
	- on loans	1,757	1,137	814
	- on investments	1,179	763	792
	- on fixed deposits	140	168	20
	Rental deposits	744	561	421
	Security deposits	64	996	689
	Less: Provision for doubtful deposits	-	(618)	(618)
	Other receivables	556	2,990	3,503
	Less: Provision for doubtful receivables	-	(100)	(100)
	Total	**1,02,408**	**83,097**	**48,066**

12 PROPERTY, PLANT AND EQUIPMENT

INR In Lakhs

Particulars	Freehold land *	Buildings	Plant and machinery	Servers and computers	Furniture and fittings	Vehicles	Office equipment	Leasehold improve-ments	Total
Cost or deemed cost (gross carrying amount)									
Deemed cost at 1 April 2017	2,066	1,305	37	401	266	503	51	66	4,695
Additions	-	334	20	224	37	37	22	71	745
Deletions	-	-	-	11	-	-	-	-	11
As at 31 March 2018	**2,066**	**1,639**	**57**	**614**	**303**	**540**	**73**	**137**	**5,429**
Additions	-	-	-	635	170	66	26	113	1,010
Deletions	-	-	-	10	-	38	-	-	48
As at 31 March 2019	**2,066**	**1,639**	**57**	**1,239**	**473**	**568**	**99**	**250**	**6,391**
Accumulated depreciation									
As at 1 April 2017	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	83	14	231	64	161	21	44	618
Deletion	-	-	-	5	-	-	-	-	5
As at 31 March 2018	**-**	**83**	**14**	**226**	**64**	**161**	**21**	**44**	**613**
Depreciation for the year	-	88	21	276	77	150	23	77	712
Deletion	-	-	-	3	-	38	-	-	41
As at 31 March 2019	**-**	**171**	**35**	**499**	**141**	**273**	**44**	**121**	**1,284**
Carrying amount (net)									
As at 31 March 2018	2,066	1,556	43	388	239	379	52	93	4,816
As at 31 March 2019	**2,066**	**1,468**	**22**	**740**	**332**	**295**	**55**	**129**	**5,107**

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

12A INTANGIBLE ASSETS

INR In Lakhs

Particulars	Computer Softwares	Total
Cost or deemed cost (gross carrying amount)		
Deemed cost at 1 April 2017	**58**	**58**
Additions	1	1
Deletions	-	-
As at 31 March 2018	**59**	**59**
Additions	3	3
Deletions	-	-
As at 31 March 2019	**62**	**62**
Accumulated depreciation		
As at 1 April 2017	**-**	**-**
Depreciation for the year	21	21
Deletions	-	-
As at 31 March 2018	**21**	**21**
Depreciation for the year	9	9
Deletions	-	-
As at 31 March 2019	**30**	**30**
Carrying amount (net)		
As at 31 March 2018	38	38
As at 31 March 2019	**32**	**32**

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
13	**OTHER NON-FINANCIAL ASSETS**			
	Prepaid expenses	1,560	982	1,094
	Total	**1,560**	**982**	**1,094**

Prepaid expenses includes share issue expenses incurred in connection with the draft red-herring prospectus amounting to INR 844 lakhs (31 March 2018: INR 457 lakhs, 1 April 2017: INR 322 lakhs)

		As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
14	**PAYABLES**			
	Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	357	123	229
	Total	**357**	**123**	**229**

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

		As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
15	**DEBT SECURITIES**			
	Measured at amortised cost:			
	Secured			
	19,360 (Previous year: 23,850) Redeemable non-convertible debentures	1,93,431	2,38,126	2,70,501
	Total (A)	**1,93,431**	**2,38,126**	**2,70,501**
	Debt securities in India	1,93,431	2,38,126	2,70,501
	Debt securities outside India	-	-	-
	Total (B)	**1,93,431**	**2,38,126**	**2,70,501**
	Total	**1,93,431**	**2,38,126**	**2,70,501**

Terms of repayment of debt securities:

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

Out of the debentures issued and outstanding:

a) 14,860 (31 March 2018: 14,350) (1 April 2017: 14,600) debentures were issued with a face value of ₹ 1,000,000/-. As at 31 March 2019 these debentures carry interest rates ranging from 8.33% p.a. to 10.65% p.a. and the redemption period is ranging from 1 year to 5 years from the date of allotment.

b) 4,500 (31 March 2018: 9,500) (1 April 2017: 9,500) debentures were issued with a face value of ₹ 1,000,000/-. These debentures carry interest rates ranging from "Base rate of State Bank of India" to "Base rate of State Bank of India + 0.35%" and the redemption period is 5 years from the date of allotment. As at 31 March 2019, the rate of interest was 9.05% p.a.

c) Nil (31 March 2018: Nil) (1 April 2017: 1,200) debentures were issued with a face value of ₹ 2,500,000/-. These debentures carry interest rates at 10.50% p.a. and the redemption period is 3 years from the date of allotment.

The aforesaid debentures are listed at Bombay Stock Exchange.

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
16	**BORROWINGS (OTHER THAN DEBT SECURITIES)**			
	Secured borrowings			
	Term Loan from banks	13,08,763	9,20,975	6,32,176
	Cash credit and working capital demand loans from banks	45,564	65,117	50,169
	Other loans	-	28	60
	Total (A)	**13,54,327**	**9,86,120**	**6,82,405**
	Unsecured borrowings			
	Commercial papers	1,12,941	73,791	-
	Total (B)	**1,12,941**	**73,791**	**-**
	Borrowings in India	14,67,268	10,59,911	6,82,405
	Borrowings outside India	-	-	-
	Total	**14,67,268**	**10,59,911**	**6,82,405**
	Total	**14,67,268**	**10,59,911**	**6,82,405**

Secured borrowing

1) Cash credit and working capital demand loans from banks are secured by pari passu charge on receivables other than those that are specifically charged to the lenders. These facilities carry interest rates ranging from "MCLR of the respective bank" per annum" to "MCLR of the respective bank + 1.10% per annum". As at 31 March 2019, the rate of interest across the loans was in the range of 8.40% p.a to 10.10% p.a.

2) 'Refer Note 16.1 for details regarding terms of borrowings from banks for parent company. 'Refer Note 16.2 for details regarding terms of borrowings from banks for subsidiary company.

Nature of security

Term loans from banks are secured by hypothecation of designated assets on finance / loan and future receivables therefrom, and investments in pass through certificates.

Vehicle loans are secured against the underlying vehicles.

Unsecured Borrowing

1) Commercial papers carry interest rate ranging from 8.05% p.a. to 8.60% p.a and the redemption period is ranging from 60 days to 90 days. As at 31 March 2019, the interest was 7.67% p.a. to 8.12% p.a. and the redemption period was 90 days.

INR In Lakhs

17 SUBORDINATED LIABILITIES	**As at 31 Mar 2019**	**As at 31 Mar 2018**	**As at 1 Apr 2017**
Measured at amortised cost:			
Subordinated redeemable non-convertible debentures	1,27,908	1,03,215	68,144
Other sub-ordinated unsecured loans	7,500	-	-
Total (A)	**1,35,408**	**1,03,215**	**68,144**
Subordinated Liabilities in India	1,35,408	1,03,215	68,144
Subordinated Liabilities outside India	-	-	-
Total (B)	**1,35,408**	**1,03,215**	**68,144**

Details relating to subordinated redeemable non-convertible debentures

12,850 (31 March 2018: 10,350) (1 April 2017: 6,850) debentures were issued with a face value of ₹1,000,000/-. These debentures carry interest rates ranging from 9.20% p.a. to 12.40% p.a. and the redemption period is 5 to 7 years. As at 31 March 2019, the rate of interest was ranging from 9.20% p.a. to 12.40% p.a.

The aforesaid debentures are listed at Bombay Stock Exchange.

Details relating to Other sub-ordinated unsecured loans

During the year ended March 31, 2019, the Company had availed unsecured subordinated loans to finance the growth of company's portfolio and other general purpose with a tenure of 6 years from the date of availment of loan with a 6 months re-set interest rate of 10.21% p.a. As at 31 March 2019, the interest rate is 11.21% p.a.due for a reset in June 2019.

16.1 Details of terms of redemption/ repayment and security provided in respect of term loans:

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 1	833	Repayable in 2 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 2	833	Repayable in 2 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 3	1,250	Repayable in 3 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 4	3,750	Repayable in 5 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 5	4,167	Repayable in 5 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 6	2,083	Repayable in 10 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 7	3,750	Repayable in 9 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 8	5,000	Repayable in 6 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 9	2,083	Repayable in 10 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 10	7,500	Repayable in 18 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 11	8,750	Repayable in 11 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 12	14,999	Repayable in 9 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 13	18,750	Repayable in 11 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 14	15,000	Repayable in 12 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 15	9,095	Repayable in 2 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 16	32,500	Repayable in 6 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 17	45,500	Repayable in 16 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 18	30,000	Repayable in 11 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 19	2,857	Repayable in 2 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 20	20,000	Repayable in 12 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 21	8,000	Repayable in 36 Monthly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 22	20,000	Repayable in 12 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 23	46,875	Repayable in 15 Half yearly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 24	5,604	Repayable in 9 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 25	46,875	Repayable in 15 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 26	4,999	Repayable in 3 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 27	25,500	Repayable in 14 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 28	2,500	Repayable in 3 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 29	20,625	Repayable in 8 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 30	17,500	Repayable in 14 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 31	30,000	Repayable in 16 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 32	30,000	Repayable in 12 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 33	3,750	Repayable in 1 Half yearly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 34	12,500	Repayable in 4 Half yearly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 35	1,50,000	Repayable in 6 Half yearly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 36	50,000	Repayable in 8 Half yearly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 37	30,000	Repayable in 12 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 38	3,330	Repayable in 1 Half yearly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 39	208	Repayable in 2 Monthly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 40	2,143	Repayable in 4 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 41	10,000	Repayable in 45 Monthly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 42	25,000	Repayable in 20 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 43	834	Repayable in 2 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 44	8,986	Repayable in 76 Monthly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 45	2,500	Repayable in 3 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 46	15,000	Repayable in 4 Half yearly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 47	10,000	Repayable in 4 Half yearly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 48	15,000	Repayable in 1 On maturity installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 49	23,333	Repayable in 11 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 50	3,332	Repayable in 3 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 51	15,000	Repayable in 4 Half yearly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 52	9,999	Repayable in 8 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 53	11,250	Repayable in 9 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 54	30,000	Repayable in 12 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 55	27,500	Repayable in 4 Annual installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 56	6,667	Repayable in 2 Half yearly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 57	40,000	Repayable in 8 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 58	45,000	Repayable in 72 Half yearly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 59	99,908	Repayable in 20 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 60	4,992	Repayable in 5 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 61	4,000	Repayable in 1 On maturity installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 62	10,000	Repayable in 36 Monthly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.

Particulars	Amount	Terms of redemption/ repayment	Security
Term Loan - 63	10,000	Repayable in 11 Quarterly installments	Secured by exclusive charge by way of hypothication of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Term Loan - 64	39,940	Repayable in 36 Monthly instalments	Secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 110% to 112% of loan amount.
Total Term Loans from Banks	**1,207,351**		

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

INR In Lakhs

Particulars	Amount	Terms of redemption/ repayment	Security
Term loan - 1	9,270	Repayble in 28 Equal Quarterly installments Remaining no. of installments: 26	Exclusive charge on receivables of the company
Term loan - 2	10,000	Repayble in 16 Equal Quarterly installments Remaining no. of installments: 16	Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.
Term loan - 3	1,933	Repayble in 31 Equal Quarterly installments Remaining no. of installments: 24	Exclusive charge on specific receivables / book debts other than those specifically charged to other lenders
Term loan - 4	1,210	Repayble in 31 Equal Quarterly installments Remaining no. of installments: 25	Exclusive charge on specific receivables / book debts other than those specifically charged to other lenders

Particulars	Amount	Terms of redemption/ repayment	Security
Term loan - 5	2,700	Repayable in 20 Equal Quarterly installments Remaining no. of installments: 18	Exclusive charge on Specific receivables
Term loan - 6	2,625	Repayable in 24 Equal Quarterly installments Remaining no. of installments: 21	Exclusive charge on specific loan receivables
Term loan - 7	3,750	Repayable in 8 Equal Half-yearly installments Remaining no. of installments: 6	Exclusive charge on specific loan receivables
Term loan - 8	9,996	Repayable in 24 Equal Quarterly installments Remaining no. of installments: 24	Exclusive charge on specific receivables
Term loan - 9	100	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 28	Exclusive Floating charge on specific book debts and future receivables
Term loan - 10	19,369	Repayable in 96 Equal Monthly installments Remaining no. of installments: 93	Exclusive charge
Term loan - 11	24,000	Repayable in 20 Equal Quarterly installments Remaining no. of installments: 20	Exclusive Charge on Book debts
Term loan - 12	4,583	Repayable in 12 Equal Quarterly installments Remaining no. of installments: 11	Hypothecation of exclusive charge on specific receivables

Particulars	Amount	Terms of redemption/ repayment	Security
Term loan - 13	5,000	Repayble in 12 Equal Quarterly installments Remaining no. of installments: 12	Hypothecation of exclusive charge on specific receivables
Term loan - 14	6,875	Repayble in 24 Equal Quarterly installments Remaining no. of installments: 22	First charge by way of hypothecation of the specific future receivables from the performing loan portfolio, which are identified by the company from time to time
Total Term Loans from Banks	**1,01,412**		

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
18	**OTHER FINANCIAL LIABILITIES**			
	Interest accrued but not due on borrowings	23,235	19,352	21,201
	Payable to assignees towards collections in assigned assets	22,572	22,821	15,043
	Risk participation fee payable	8,765	2,737	-
	Dealer payables	8,200	14,947	13,955
	Payable to employees	850	586	479
	Other payable	4,971	520	243
	Total	**68,593**	**60,963**	**50,921**
19	**PROVISIONS**			
	Provision for employee benefits			
	- gratuity	132	33	54
	- compensated absences	120	220	197
	Provision for taxation	-	21	66
	Total	**252**	**274**	**317**

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
20	**OTHER NON-FINANCIAL LIABILITIES**			
	Statutory liabilities	663	660	474
	Total	**663**	**660**	**474**

		As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
21	**EQUITY SHARE CAPITAL**			
	Authorised			
	622,907,700 (31 March 2018: 622,907,700) (1 April 2017: 622,907,700) equity shares of INR 10/- each	62,291	62,291	62,291
		62,291	**62,291**	**62,291**
	Issued, subscribed and fully paid up			
	469,670,990 (31 March 2018 : 456,437,968) (1 April 2017: 412,155,921) equity shares of INR 10/- each	46,967	45,644	41,216
		46,967	**45,644**	**41,216**

Notes:

a) Reconciliation of number of Equity shares subscribed

	As at 31 Mar 2019		As at 31 Mar 2018		As at 1 Apr 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares						
At the commencement of the year	45,64,37,968	45,644	41,21,55,921	41,216	37,87,18,619	37,872
Add: Shares issued during the year	1,32,33,022	1,323	4,42,82,047	4,428	3,34,37,302	3,344
At the end of the year	**46,96,70,990**	**46,967**	**45,64,37,968**	**45,644**	**41,21,55,921**	**41,216**

b) Terms/ rights attached to equity shares

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

INR In Lakhs

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

	As at 31 Mar 2019		As at 31 Mar 2018		As at 1 Apr 2017	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity shares						
Ashok Leyland Limited; holding company	29,04,31,937	61.84%	28,23,11,000	61.85%	23,57,49,382	57.20%

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

	As at 31 Mar 2019		As at 31 Mar 2018		As at 1 Apr 2017	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity shares						
Ashok Leyland Limited; holding company	29,04,31,937	61.84%	28,23,11,000	61.85%	23,57,49,382	57.20%
IndusInd International Holdings Limited	7,89,79,303	16.82%	9,16,99,720	20.09%	8,07,51,012	19.59%
Everfin Holdings	3,28,14,401	6.99%	3,18,97,134	6.99%	5,76,52,421	13.99%
Hinduja Power Limited	3,07,86,550	6.55%	-	-	-	-
Hinduja Ventures Limited	1,62,70,244	3.46%	2,58,15,438	5.66%	2,15,57,692	5.23%

e) Shares reserved for issue under employee stock option plan

	As at 31 Mar 2019		As at 31 Mar 2018		As at 1 Apr 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Under Employee stock option scheme, 2013, at an exercise price as determined by the Nomination and Remuneration Committee	1,99,06,191	1,991	1,99,06,191	1,991	1,99,06,191	1,991

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

During the five-year period ended 31 March 2019, 2,783,000 (31 March 2018: 2,601,500) (1 April 2017: 2,234,000) equity shares issued under employee stock option plan for which only exercise price has been received in cash.

INR In Lakhs

	Particulars	As at 31 Mar 2019	As at 31 Mar 2018
22	**OTHER EQUITY**		
	a) Securities premium account		
	Balance at the beginning of the year	77,491	36,654
	Add: Premium on issue of shares	18,720	40,810
	Add: Transferred from Employee Stock Option Outstanding account	-	27
	Balance at the end of the year	96,211	77,491
	b) Employee stock option outstanding account		
	Balance at the beginning of the year	188	131
	Add: Share based payment expense for the year	105	84
	Less: Transferred to securities premium	-	(27)
	Balance at the end of the year	293	188
	c) Statutory reserves		
	(As per Section 45-IC of Reserve Bank of India Act, 1934)		
	Balance at the beginning of the year	18,253	14,299
	Add: Amount transferred from surplus in statement of profit and loss	5,987	3,954
	Balance at the end of the year	24,240	18,253
	d) Retained earnings (Surplus in Statement of Profit and Loss)		
	Balance at the beginning of the year	62,278	46,427
	Add: Profit for the year	30,045	19,805
	Less :Transferred to Statutory Reserve	(5,987)	(3,954)
	Balance at the end of the year	86,336	62,278
	e) Other comprehensive income		
	Balance at the beginning of the year	30	-
	Add: Comprehensive Income for the year	22,647	30
	Balance at the end of the year	22,677	30
	Total (a+b+c+d+e)	**2,29,758**	**1,58,240**

Nature and purpose of reserve

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

Employee stock option outstanding

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

Statutory Reserve

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

Reserve u/s. 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by RBI.

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

Reserve u/s. 29C of NHB Act, 1987 is created in accordance with section 29A of the NHB Act, 1987. As per Section 29C of the NHB Act, 1987, No appropriation of any sum from the reserve fund including any sum in the special reserve which has been taken into account for the purposes of reserve fund in terms of subsection (1), shall be made by such housing finance institution except for the purpose as may be specified by the National Housing Bank from time to time

Surplus in the statement of profit and loss

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

Other comprehensive income

a) The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

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

INR In Lakhs

23 INTEREST INCOME

Particulars	Year ended 31 Mar 2019			Year ended 31 Mar 2018		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Total
Interest Income						
- Interest income on loans to customers	37,626	1,89,468	2,27,094	-	1,75,266	1,75,266
- Interest on fixed deposits	-	926	926	-	618	618
- Interest on investment in pass through certificates	-	5,294	5,294	-	2,431	2,431
- Interest income on investment in debentures	-	5,891	5,891	-	6,320	6,320
Total	**37,626**	**2,01,579**	**2,39,205**	**-**	**1,84,635**	**1,84,635**

Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
24 FEES AND COMMISSION INCOME		
Other charges	4,833	5,346
25 NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS		
Income on assignment of loans	16,816	7,879
26 INCOME FROM OTHER SERVICES		
Income from other services	10,305	9,468
(including income earned from related parties amounting to INR 9,305 lakhs (31 March 2018 - INR 5,854 lakhs)		

INR In Lakhs

	Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
27	**FINANCE COSTS**		
	Finance costs on financial liabilities measured at amortised cost		
	Interest on borrowings		
	- term loans from banks	85,964	61,022
	- cash credits and working capital demand loans	5,170	3,942
	- securitised portfolio	3,653	3,972
	Interest on debt securities	23,211	23,770
	Interest on subordinated liabilities	12,747	9,120
	Amortisation of discount on commercial papers	8,157	3,180
	Amortisation of ancillary costs relating to borrowings	1,295	865
	Total	**1,40,197**	**1,05,871**
28	**FEES AND COMMISSION EXPENSE**		
	Service provider and sourcing expenses	3,358	2,808
	Fees and Commission Expense	2,871	1,706
	Total	**6,229**	**4,514**

29 IMPAIRMENT ON FINANCIAL ASSETS

Particulars	Year ended 31 Mar 2019			Year ended 31 Mar 2018		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Total
Provision for expected credit loss and amounts written off	4,646	13,425	18,071	-	19,658	19,658
Amounts written off (net of recoveries)	-	38,457	38,457	-	30,199	30,199
Impairment loss on other receivables	-	767	767	-	1,247	1,247
Total	**4,646**	**52,649**	**57,295**	**-**	**51,104**	**51,104**
Total impairment of financial assets			**57,295**	**-**		**51,104**

INR In Lakhs

	Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
30	**EMPLOYEE BENEFITS EXPENSES**		
	Salaries, wages and bonus	11,254	7,364
	Contribution to provident, gratuity and other funds	607	378
	Staff welfare expenses	241	314
	Employee stock option expenses	105	84
	Total	**12,207**	**8,140**
31	**DEPRECIATION AND AMORTIZATION**		
	Depreciation of property, plant and equipment	712	618
	Amortisation of intangible assets	9	21
	Total	**721**	**639**
32	**OTHER EXPENSES**		
	Legal and professional charges (refer note 32.1)	1,893	2,177
	Rent	1,393	1,100
	Communication expenses	686	599
	Insurance	349	152
	Electricity charges	260	215
	Rates and taxes	217	184
	Office maintenance	693	515
	Repairs and maintenance	142	123
	Bank charges	346	620
	Printing and stationery	473	366
	Travelling and conveyance	1,224	419
	Meeting and conference expenses	214	126
	Commission to directors	155	-
	Sitting fees to directors	103	84
	Expenditure on corporate social responsibility (refer note 42)	210	50
	Other expenses	523	404
	Total	**8,881**	**7,134**

INR In Lakhs

Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
32.1 PAYMENTS TO AUDITOR (EXCLUDING GOODS AND SERVICES TAX)		
As auditor:		
Statutory audit	55	35
Tax audit	3	2
Limited review of half yearly results	15	12
Consolidation	8	6
In other capacity:		
Certification	5	6
Other services	20	18
Reimbursement of expenses	7	4
	113	**83**

33 INCOME TAX

The components of income tax expense for the years ended 31 March 2019 and 2018 are:		
Current tax	13,894	11,620
Deferred tax	1,803	(1,468)
Total tax charge	**15,697**	**10,152**

33.1 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

Current tax	-	-
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(49)	(16)
Gain/(Loss) on fair valuation of loans	(12,120)	-
Total income tax recognised in other comprehensive income	**(12,169)**	**(16)**

33.2 RECONCILIATION OF THE TOTAL TAX CHARGE

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2019 and 2018 is, as follows:-

INR In Lakhs

Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
Accounting profit before tax	45,629	29,926
Applicable tax rate	34.94%	34.61%
Computed tax expense	15,945	10,357
Tax effect of :		
Permanent differences		
Tax expenses recognised in the statement of profit and loss	15,697	10,152
Effective tax rate	34.40%	33.92%

The tax rate used for the reconciliations above is the corporate tax rate of 34.94% for Hinduja Leyland Finance Limited and 29.12% for Hinduja Housing Finance Company Limited for the year 31 March 2019 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

33.3 DEFERRED TAX

Particulars	As at 31 Mar 2018	Statement of profit and loss	Other compre-hensive income	As at 31 Mar 2019
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Fixed assets	40	44	-	84
Impact of fair value of assets	-	-	(12,120)	(12,120)
Impairment on financial assets	14,649	1,383	-	16,032
Provision for employee benefits	113	98	(49)	162
Impact on ESOP fair valuation	27	(27)	-	-
Impact on other receivables	(2,229)	(3,234)	-	(5,462)
Others	587	(67)	-	519
Total	**13,187**	**(1,803)**	**(12,169)**	**(785)**

INR In Lakhs

Particulars	As at 1 Apr 2017	Statement of profit and loss	Other compre-hensive income	As at 31 Mar 2018
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Fixed assets	3	37	-	40
Impairment on financial assets	12,464	2,185	-	14,649
Impact on other receivables	(1,746)	(483)	-	(2,229)
Provision for employee benefits	105	23	(14)	113
Impact on ESOP fair valuation	27	0	-	27
Others	882	(294)	-	587
Total	**11,735**	**1,468**	**(14)**	**13,187**

	Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
34	**EARNINGS PER SHARE ('EPS')**		
	Earnings		
	Net profit attributable to equity shareholders for calculation of basic EPS	30,043	19,816
	Net profit attributable to equity shareholders for calculation of diluted EPS	30,043	19,816
	Shares		
	Equity shares at the beginning of the year	45,64,37,968	41,21,55,921
	Shares issued during the year	1,32,33,022	4,42,82,047
	Total number of equity shares outstanding at the end of the year	46,96,70,990	45,64,37,968
	Weighted average number of equity shares outstanding during the year for calculation of basic EPS	45,83,39,358	43,20,95,285
	Effect of dilutive potential equity shares		
	Employee stock options	3,71,286	3,71,286
	Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	45,87,10,644	43,24,66,571

INR In Lakhs

Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
Face value per share	10.00	10.00
Earnings per share		
Basic	6.55	4.59
Diluted	6.55	4.58

35 EMPLOYEE STOCK OPTION

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

Options to employees are usually granted with a four-year ratable vesting. The options would need to be exercised within a 3 year period from the date of vesting.

The vesting pattern is indicated below:

Particulars	Vesting pattern	Vesting pattern	Vesting pattern	Vesting pattern
Grant date	26-Mar-14	10-Nov-16	23-May-17	29-Jan-18
At the end of one year of service from grant date	20%	20%	20%	20%
At the end of two years	20%	20%	20%	20%
At the end of three years	30%	30%	30%	30%
At the end of four years	30%	30%	30%	30%

Share based payment expense

INR In Lakhs

Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
Share based payment expense:		
Total expense recognised in 'employee benefits'	105	84

Reconciliation of outstanding options

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

	Year ended 31 Mar 2019		Year ended 31 Mar 2018	
	No of options	Weighted average exercise price	No of options	Weighted average exercise price
Outstanding at beginning of the year	**15,18,500**	**65.87**	**17,61,000**	**45.88**
Granted during the year	-	-	4,60,000	106.20
Forfeited during the year	10,000	54.40	3,35,000	49.00
Exercised during the year	1,81,500	41.33	3,67,500	35.94
Expired during the year	13,000	27.95	-	-
Outstanding at the end of the year	**13,14,000**	**69.82**	**15,18,500**	**65.87**

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

Particulars	As at 31 March 2019			As at 31 March 2018		
	No of outstanding options	Range of exercise price	Weighted average remaining life	No of outstanding options	Range of exercise price	Weighted average remaining life
ESOP Scheme	13,14,000	INR/- 27.95 to 110	1 – 4 years	15,18,500	INR/- 27.95 to 110	1 – 4 years

Measurement of fair values

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

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

Grant date	26-Mar-14	10-Nov-16	23-May-17	29-Jan-18
Value of the share at the grant date	28	79	95	110
Exercise price	INR/- 10 to 37.95	INR/- 54.40	INR/- 75	INR/- 110
Expected volatility	0.00%	0.00%	0.00%	0.00%
Expected dividends	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (based on government bonds)	8.00%	6.88%	7.08%	7.08%
Expected life	4 years	4 years	4 years	4 years

36 EMPLOYEE BENEFIT – POST EMPLOYMENT BENEFIT PLANS

a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to INR 488.03 (previous year INR 349.04) (refer note 30).

b) Gratuity benefit plan

Financial assets not measured at fair value

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

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

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

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

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

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

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

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

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

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

The following table sets out the status of the gratuity plan as required under IND AS 19. Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Present value of obligations	352	240
Fair value of plan assets	220	206
Asset / (Liability) recognised in the Balance Sheet	**132**	**34**

Movement in present values of defined benefit obligations

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Defined benefit obligation at the beginning of the year	240	170
Current service cost	84	67
Interest cost	16	11
Actuarial (gains) / losses	46	(5)
Benefits paid by the plan	(33)	(3)
Defined benefit obligation at the end of the year	352	240

Movement in fair value of plan assets

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Fair value of plan assets at the beginning of the year	206	115
Contributions paid into the plan	15	48
Benefits paid by the plan	11	(3)
Expected return on plan assets	21	10
Actuarial (losses) / gains	(33)	36
Fair value of plan assets at the end of the year	220	206

Expense recognised in the statement of profit or loss

Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
Current service cost	84	69
Interest on obligation	16	15
Expected return on plan assets	(21)	(10)
Net actuarial (gain)/ loss recognised in the year	(211)	(41)
Total	**(132)**	**34**

Actuarial assumptions

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Discount rate	7.00%	7.08%
Estimated rate of return on plan assets	7.00%	7.08%
Attrition rate	25.00%	25.00%
Future salary increases	10.00%	10.00%
Retirement age	58 years	58 years

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

Five year information

Gratuity	As at 31 Mar 2019	As at 31 Mar 2018	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2015
Defined benefit obligation	352	240	164	139	107
Fair value of plan assets	220	206	115	108	61
Deficit in plan	(132)	34	48	31	46
Experience adjustments on plan liabilities	(211)	(41)	(45)	(23)	(2)
Experience adjustments on plan assets	-	-	-	(2)	(1)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Year ended 31 Mar 2019		Year ended 31 Mar 2018	
	Increase	Decrease	Increase	Decrease
100 base points increase/decrease				
Discount rate	(12)	13	(9)	10
Future salary growth	13	(12)	8	(7)
Attrition rate	(4)	2	(3)	3

c) Other long term employee benefits

The liability for compensated absences as at March 31, 2019 is INR 120.57 lakhs and as at March 31, 2018 is INR 219.80 lakhs.

37 SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Executive Vice Chairman ('EVC') to make decisions about resources to be allocated to the segments and assess their performance. The EVC is considered to be the Chief Operating Decision Maker ('CODM') within the purview of Ind AS 108 Operating Segments.

The CODM considers the entire business of the Company on a holistic basis to make operating decisions and thus there are no segregated operating segments. The CODM of the Company reviews the operating results of the Company as a whole and therefore not more than one reportable segment is required to be disclosed by the Company as envisaged by Ind AS 108 Operating Segments. The company does not have any separate geographic segment other than India. As such there are no separate reportable segments as per IND AS 108 Operating Segments.

38 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Claims against the Company not acknowledged as debts: Value added taxes [bank guarantee provided against the claim INR 75 lakhs (31 March 2018 : INR 70 lakhs)]	180	59
Bank guarantee against securitisation transactions	4,552	4,552

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

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

39 RELATED PARTY DISCLOSURES

Name of the related parties and nature of relationship

Holding company / Ultimate Holding Company	Ashok Leyland Limited ("ALL") – Holding Company of Hinduja Leyland Finance Limited
	Hinduja Automotive Limited ("HAL") – Holding Company of ALL
	Machen Holdings S.A ("Machen") – Holding Company of HAL
	Machen Development Corporation ("MDC") – Holding Company of Machen
	Amas Holdings S.A. – Holding Company of MDC
Subsidiary company	Hinduja Housing Finance Limited ("HHF")
Associate company	HLF Services Limited ("HSL")
Fellow subsidiary	Hinduja Energy (India) Limited
	Gulf Ashley Motors Limited
Key management personnel (KMP)	Mr. S. Nagarajan, Executive Vice Chairman
	Mr. Sachin Pillai, Chief Executive Officer
	Mr. Kishore Kumar Lodha, Chief Financial Officer (with effect from 14 December 2017)
	Mr. B Shanmugasundaram, Company Secretary (with effect from 19 March 2018)

Also refer note 46

Related party transactions

Nature of transaction	Holding company (ALL)	Associate	Fellow subsidiary	KMP
Salaries and allowances				
- Mr. S. Nagarajan	-	-	-	321
	-	-	-	(258)
- Mr. Sachin Pillai	-	-	-	253
	-	-	-	(213)
- Mr. Kishore Kumar Lodha	-	-	-	81
	-	-	-	(28)
- Mr. B Shanmugasundaram	-	-	-	34
	-	-	-	(1)
Inter-corporate deposits /advances given *	-	-	9,000	-
	-	-	(19,000)	-

Nature of transaction	Holding company (ALL)	Associate	Fellow subsidiary	KMP
Advance given (Gulf Ashley Motors Limited)	-	-	9,766	-
	-	-	(8,095)	-
Interest income				
- Hinduja Energy (India) Limited	-	-	462	-
	-	-	(503)	-
- Gulf Ashley Motors Limited	-	-	1	-
	-	-	(29)	-
Purchase of services including tax:	-	-	-	-
a. Service provider fee	-	9,291	-	-
	-	(6,996)	-	-
b. Sourcing / marketing expenses	-	-	-	-
	-	(1,136)	-	-
Income from other services	-	9,305	-	-
	-	(6,046)	-	-
Number of equity shares allotted on exercise of options	-	-	-	70,000
	-	-	-	(60,000)

* Transactions with Hinduja Energy (India) Limited
Figures in bracket represent previous year figures.
Also refer note 46

Year end balances

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Amounts due from related parties			
- Hinduja Energy (India) Limited	4,500	5,000	5,000
- HLF Services Limited	11,359	6,580	5,553
- Gulf Ashley Motors Limited	713	39	2,378
Options outstanding			
- Mr. Sachin Pillai	40,000	1,10,000	1,20,000
- Mr. Kishore Kumar Lodha	1,00,000	1,00,000	-
- Mr. B Shanmugasundaram	50,000	50,000	-

INR in Lakhs

40 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

Particulars	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets									
Cash and cash equivalents	25,354	-	25,354	13,562	-	13,562	2,799	-	2,799
Bank Balance other than cash and cash equivalents	-	11,700	11,700	3,493	11,639	15,132	-	6,675	6,675
Other Receivables	6,200	9,431	15,631	4,262	2,180	6,442	3,339	1,706	5,045
Loans	6,21,854	12,33,506	18,55,360	3,68,703	10,65,716	14,34,419	3,48,172	7,07,123	10,55,295
Investments	75,586	43,282	1,18,868	26,058	66,117	92,175	21,899	53,899	75,798
Other financial assets	1,01,764	644	1,02,408	82,419	678	83,097	47,791	275	48,066
Current tax assets (net)	7,462	-	7,462	171	3,135	3,306	349	-	349
Deferred tax assets (net)	-	-	-	-	13,187	13,187	-	11,735	11,735
Property, Plant and Equipment	-	5,107	5,107	-	4,816	4,816	-	4,695	4,695
Capital work-in-progress	-	-	-	-	-	-	-	109	109
Other Intangible assets	-	32	32	-	38	38	-	58	58
Other non-financial assets	1,560	-	1,560	493	489	982	793	301	1,094
Total Assets	**8,39,780**	**13,03,702**	**21,43,482**	**4,99,161**	**11,67,995**	**16,67,156**	**4,25,142**	**7,86,576**	**12,11,718**
Liabilities									
Other payables									
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	357	-	357	123	-	123	216	13	229

INR in Lakhs

Particulars	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Debt Securities	1,00,160	93,271	1,93,431	29,900	2,08,226	2,38,126	72,500	1,98,001	2,70,501
Borrowings (other than debt securities)	5,64,089	9,03,179	14,67,268	3,95,538	6,64,373	10,59,911	2,61,695	4,20,710	6,82,405
Subordinated liabilities	11,000	1,24,408	1,35,408	-	1,03,215	1,03,215	-	68,144	68,144
Other financial liabilities	62,778	5,815	68,593	352	60,611	60,963	211	50,710	50,921
Provisions	-	252	252	21	253	274	66	251	317
Deferred tax liabilities (net)	-	785	785	-	-	-	-	-	-
Other non-financial liabilities	663	-	663	660	-	660	474	-	474
Total Liabilities	**7,39,047**	**11,27,710**	**18,66,757**	**4,26,594**	**10,36,678**	**14,63,272**	**3,35,162**	**7,37,829**	**10,72,991**
Net	**1,00,733**	**1,75,992**	**2,76,725**	**72,567**	**1,31,317**	**2,03,884**	**89,980**	**48,747**	**1,38,727**

Change in Liabilities arising from financing activities

Particulars	As at 31 March 2019	Cash flows	Others*	As at 1 April 2018	Cash flows	Others*	As at 1 April 2017
Debt Securities	1,93,431	(44,526)	(169)	2,38,126	(32,001)	(374)	2,70,501
Borrowings (other than debt securities)	14,67,268	4,08,762	(1,405)	10,59,911	3,77,589	(83)	6,82,405
Subordinated liabilities	1,35,408	32,785	(592)	1,03,215	35,357	(286)	68,144

* the effect of amortisation of ancillary costs relating to borrowings and discount on commercial papers.

INR In Lakhs

	Particulars	Year ended 31 Mar 2019	Year ended 31 Mar 2018
41	**OPERATING LEASES AS A LESSEE**		

The Company has taken a number of branch offices under operating leases. These leases typically run for a period of 3 years with an option to renew after this period. Lease payments are generally increased every year. These leases are cancellable. The rental expense under cancellable lease arrangements is INR 1,338 lakhs (31 March 2018: INR 1,065 lakhs).

	Year ended 31 Mar 2019	Year ended 31 Mar 2018
Within one year	**-**	**-**
After one year but not more than five years	-	-
More than five years	-	-
Total	**-**	**-**

42 CORPORATE SOCIAL RESPONSIBILITY ("CSR") EXPENDITURE

			Year ended 31 Mar 2019	Year ended 31 Mar 2018
(a)	Gross amount required to be spent by the company during the year as per Section 135 of the Companies Act, 2013 read with schedule VII		530	431
(b)	Amount spent during the year on:			
	(i)	Construction/acquisition of any asset	-	-
	(ii)	On purposes other than (i) above	227	50

43 UTILISATION OF THE PROCEEDS OF RIGHTS ISSUE

During the current year, the company raised a sum of INR 19,969 lakhs through a rights issue of equity shares to fund the business of lending loans to customers. The proceeds have been utilised as follows:

	Year ended 31 Mar 2019	Year ended 31 Mar 2018
Proceeds from rights issue	19,969	45,105
Utilisation during the year – Loan to customers	(19,969)	(45,105)
Un-utilised amount at the end of the year	-	-

44 EXPENDITURE IN FOREIGN CURRENCY

	Year ended 31 Mar 2019	Year ended 31 Mar 2018
Legal and professional charges	79	11

INR In Lakhs

45 FINANCIAL INSTRUMENT

A Fair value measurement

Valuation principles

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

Financial instruments by category

The carrying value and fair value of financial instruments measured at fair value as of March 31, 2019 were as follows:

Particulars	Carrying amount	Fair value			
	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Loans	6,44,876	-	-	6,44,876	6,44,876

The company does not have any financial assets measured at fair value as on 31 March 2018 and 1 April 2017.

Reconciliation of level 3 fair value measurement is as follows

Loans	Year ended	
	31 Mar 2019	31 Mar 2018
Loans, measured at FVOCI		
Balance at the beginning of the year	-	-
Total gains measured through OCI for additions made during the year	30,028	-
Balance at the end of the year	**30,028**	**-**

Sensitivity analysis

	Equity, net of tax	
	Increase	Decrease
31 March 2019		
Loans		
Interest rates (1% movement)	10,237	(9,892)

The carrying value and fair value of other financial instruments by categories as of March 31, 2019 were as follows:

Particulars	Carrying amount	Fair value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value:					
Cash and cash equivalents	25,354	-	25,354	-	25,354
Bank balance other than cash and cash equivalents	11,700	-	11,700	-	11,700
Other receivables	15,631	-	-	16,359	16,359
Loans	18,55,360	-	-	19,41,753	19,41,753
Investments	1,18,868	10,000	-	1,13,937	1,23,937
Other financial assets	1,02,408	-	15,510	89,793	1,05,304
Total	**21,29,321**				
Financial liabilities not measured at fair value:					
Trade payables	357	-	357	-	357
Debt securities	1,93,431	-	1,93,431	-	1,93,431
Borrowings	14,67,268	-	14,67,268	-	14,67,268
Subordinated liabilities	1,35,408	-	1,35,408	-	1,35,408
Other financial liabilities	68,593	-	68,593	-	68,593
Total	**18,65,057**				

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

Particulars	Carrying amount	Fair value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Assets:					
Cash and cash equivalents	13,562	-	13,562	-	13,562
Bank balance other than cash and cash equivalents	15,132	-	15,132	-	15,132
Other receivables	6,442	-	-	6,544	6,544
Loans	14,34,419	-	-	15,01,211	15,01,211
Investments	92,175	10,000	-	86,467	96,467
Other financial assets	83,097	-	7,723	79,243	86,966
Total	**16,44,827**				
Liabilities:					
Trade payables	123	-	123	-	123
Debt securities	2,38,126	-	2,38,126	-	2,38,126
Borrowings	10,59,911	-	10,59,911	-	10,59,911
Subordinated liabilities	1,03,215	-	1,03,215	-	1,03,215
Other financial liabilities	60,963	-	60,963	-	60,963
Total	**14,62,338**				

The carrying value and fair value of financial instruments by categories as of April 01, 2017 were as follows:

Particulars	Carrying amount	Fair value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Assets:					
Cash and cash equivalents	2,799	-	2,799	-	2,799
Bank balance other than cash and cash equivalents	6,675	-	6,675	-	6,675
Other receivables	5,045	-	-	5,280	5,280
Loans	10,55,295	-	-	11,04,434	11,04,434
Investments	75,798	10,000	-	69,327	79,327
Other financial assets	48,066	-	12,448	37,857	50,304
Total	**11,93,678**				
Liabilities:					
Trade payables	229	-	229	-	229
Debt securities	2,70,501	-	2,70,501	-	2,70,501
Borrowings	6,82,405	-	6,82,405	-	6,82,405
Subordinated liabilities	68,144	-	68,144	-	68,144
Other financial liabilities	50,921	-	50,921	-	50,921
Total	**10,72,200**				

B Measurement of fair values

Valuation methodologies of financial instruments not measured at fair value

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

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, balances other than cash and cash equivalents, other financial assets (excluding dealer trade advances) and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet. The carrying amounts of the short term financial assets and liabilities are reasonable approximation of their fair values.

Borrowings

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

Loans, Dealer trade advances and other receivables

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

Investments

The fair values financial of held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. Investment in mutual funds has been taken as Level 1 and value has been considered based on mutual fund statement.

Transfers between levels I and II

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

C Capital

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

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management."

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

Capital management

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

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

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

(i) Credit risk

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

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

A. Loans and advances

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

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

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

Particulars	Carrying Amount		
	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 April 2017
Retail loans	17,34,200	13,93,603	10,55,922
Term loans	1,54,653	91,125	29,524
Inter-corporate deposits	39,500	9,500	10,000
	19,28,353	**14,94,228**	**10,95,446**
Less : Impairment loss allowance	(72,993)	(59,809)	(40,151)
	18,55,360	**14,34,419**	**10,55,295**

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

	As at 31 Mar 2019	As at 31 Mar 2018	As at 1 Apr 2017
Inter-corporate deposit includes deposits given to the below parties.			
Hinduja Energy (India) Limited	4,500	4,500	5,000
Hinduja Group Limited	10,000	5,000	5,000
Hinduja Realty Ventures Limited	10,000	-	-
APDL Estates Limited	3,000	-	-
Hinduja Properties Limited	1,500	-	-
Hinduja Estate Private Limited	3,000	-	-
Hinduja Healthcare Limited	2,500	-	-
IN-Entertainments Indian Limited	5,000	-	-
	39,500	**9,500**	**10,000**

Staging:

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

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

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

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

Holding Company

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

Subsidiary Company

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

Grouping

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

- Commercial vehicle loans
- Two wheeler loan
- Construction equipments
- Three wheeler loan
- Housing Loan
- Loan against property
- Investments
- Dealer trade advances

Expected credit loss ("ECL"):

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

a. Marginal probability of default ("MPD")

b. Loss given default ("LGD")

c. Exposure at default ("EAD")

d. Discount factor ("D")

Marginal probability of default:

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

For computation of probability of default ("PD"), ARIMA Model was used to forecast the PD term structure over lifetime of loans. As per given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. The Company has worked out on PD based on the last four years historical data.

Marginal probability:

The PDs derived from the ARIMA model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside (15%), downside (15%) and base (70%). This weightage has been decided on best practices and expert judgment. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

LGD:

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

1) Analysis of historical credit impaired accounts at cohort level.

2) The computation consists of five components, which are:

a) Outstanding balance (POS)

b) Recovery amount (discounted yearly) by initial contractual rate.

c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.

d) Collateral (security) amount

The formula for the computation is as below:

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

% LGD = 1 – recovery rate

EAD:

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

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

Discounting:

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

ECL computation:

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

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

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

	Provisions	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Stage 1	12 month provision	0.25%	0.43%	0.44%
Stage 2	Life time provision	0.51%	0.96%	1.03%
Stage 3	Life time provision	37.34%	36.91%	38.23%
Amount of expected credit loss provided for		**72,993**	**61,879**	**42,221**

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company’s view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note.

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

Particulars	31 March 2019				31 March 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	12,19,066	1,55,804	1,22,404	14,97,274	9,05,664	51,758	93,189	10,50,611
Assets derecognised or repaid (excluding write offs)	(4,53,647)	(32,685)	(13,558)	(4,99,890)	(20,120)	(1,641)	(1,377)	(23,138)
Transfers from Stage 1 **	(1,65,053)	1,35,284	29,770	-	(88,012)	69,949	18,063	-
Transfers from Stage 2 **	41,252	(59,417)	18,165	-	21,849	(29,429)	7,580	-
Transfers from Stage 3 **	5,277	2,635	(7,911)	-	140	42	(182)	-
Amounts written off	-	-	(7,156)	(7,156)	-	-	-	-
New assets originated*	8,58,648	33,780	41,705	9,34,134	3,99,546	65,125	5,131	4,69,802
Gross carrying amount closing balance	**15,05,543**	**2,35,401**	**1,83,419**	**19,24,362**	**12,19,066**	**1,55,804**	**1,22,404**	**14,97,274**

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

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

Reconciliation of ECL balance is given below:

Particulars	As at 31 March 2019	As at 31 March 2018
ECL allowance - opening balance	**61,879**	**42,221**
Addition during the year	22,370	20,486
Reversal during the year	(4,729)	(828)
Write offs during the year	(2,070)	-
Transfer to OCI	(4,646)	-
Closing provision of ECL	**72,804**	**61,879**
Amounts charged off to income statement	**38,457**	**30,199**

Collateral and other credit enhancements

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

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

Exposure to credit risk

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

B. Investments

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The exposure to credit risk for investments is to other non-banking finance companies and financial institutions.

The credit committee has established a credit policy under which each new investee pool is analysed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. The Company’s review includes external ratings, if they are available, financial statements, credit agency information, industry information etc. For investments the collateral is the underlying loan pool purchased from the financial institutions.

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

The total provision under expected credit loss model is INR Nil (31 March 2018 and 1 April 2017: INR 700 lakhs). During the current year, INR 700 lakhs (31 March 2018: Nil) has been charged off to the income statement.

C. Cash and cash equivalent and Bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks which are rated AA- to AA+, based on CRISIL ratings.

(ii) Liquidity risk

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

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

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

Capital adequacy ratio of the Company, as on 31 March 2019 is 16.97% against regulatory norms of 15%. Tier I capital is 11.06% as against requirement of 10%. Tier II capital is 5.91% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The total cash credit limit available to the Company is INR 1,350 lakhs spread across 15 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

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

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

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 year to 5 year	Over 5 year	Total
As at 31 March 2019									
Borrowings	29,735	90,070	1,16,712	87,230	2,38,952	6,90,109	1,93,648	20,812	14,67,268
Debt securities	12,660	5,000	15,800	49,200	17,331	93,440	-	-	1,93,431
Subordinated liabilities	-	-	-	-	11,000	39,500	23,000	61,908	1,35,408
As at 31 March 2018									
Borrowings	9,033	7,777	1,36,230	62,106	1,80,391	4,90,852	1,52,038	21,483	10,59,911
Debt securities	-	-	5,800	4,100	20,000	1,88,600	19,626	-	2,38,126
Subordinated liabilities	-	-	-	-	-	30,000	38,500	34,715	1,03,215
As at 1 April 2017									
Borrowings	5,403	14,874	19,867	60,783	1,60,768	3,63,001	41,570	16,140	6,82,405
Debt securities	-	-	30,000	25,000	17,500	88,400	1,09,601	-	2,70,501
Subordinated liabilities	-	-	-	-	-	11,000	39,500	17,644	68,144

(iii) Market risk

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

(iv) Interest rate risk

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

Loans extended by the Company are all fixed rate loans.

The sensitivity analysis have been carried out based on the exposure to interest rates for term loans from banks, debt securities and borrowings carried at variable rate.

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
Change in interest rates	**25 bp increase**	**25 bp decrease**	**25 bp increase**	**25 bp decrease**
Variable rate borrowings				
Impact on profit for the year	(3,783)	3,783	(2,344)	2,344

(v) Foreign currency risk

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

47 EXPLANATION OF TRANSITION TO IND AS

As stated in Note 2.1, these are the Group's first consolidated financial statements prepared in accordance with Ind AS. For the year ended March 31, 2018, the Group had prepared its consolidated financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these consolidated financial statements for the year ended March 31, 2019 including the comparative information for the year ended March 31, 2018 and the opening consolidated Ind AS balance sheet on the date of transition i.e. April 1, 2017.

In preparing its Ind AS balance sheet as at April 1, 2017 and in presenting the comparative information for the year ended March 31, 2018, the Group has adjusted amounts reported previously in consolidated financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its consolidated financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing these consolidated financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

47.1 Optional exemptions availed

(i) Property plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

− fair value;

– or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment and intangible assets.

(ii) Investment in subsidiary and associate

Ind-AS 101 allows a first-time adopter to use a deemed cost when measuring an investment in a subsidiary in the separate opening statement of financial position. This deemed cost can be determined using either fair value at the date of transition to Ind-ASs or a previous GAAP carrying amount at that date. A first-time adopter is able to choose whether to use the deemed cost exemption on an investment-by-investment basis for its subsidiary and associate.

Accordingly, the Company has elected to avail the exemption and use the previous GAAP carrying value as deemed cost.

(iii) Share based payment

Ind-AS 101 allows a first-time adopter to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind ASs. The Group has elected to avail the exemption.

47.2 Mandatory exceptions

(i) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the consolidated financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVOCI

- Impairment of financial assets based on the expected credit loss model.

- EIR on borrowings, sourcing income and costs.

- Expected life of loan portfolios

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

(iii) Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition criteria for financial assets/liabilities prospectively from the date of transition. Hence, it has not recognised any financial assets/financial liabilities previously de-recognised.

(iv) Impairment of financial assets

The Group being NBFC company is required to assess the impairment of financial assets based upon the new model i.e. ECL instead of rule based guidance (RBI Prudential Norms) as prevailed under previous GAAP.

Accordingly, the Group has applied the impairment requirement of Ind-AS 109 on all financial assets recognised as per Ind-AS 109 retrospectively except:

1. The Group has sought to approximate the credit risk on initial recognition by considering all reasonable and supportable information that is available without undue cost or effort.

2. The Group has determined whether the financial asset is having low credit risk, as specified in Ind-AS 109, and whether there is a significant increase in credit risk since initial recognition of financial assets by applying rebuttable presumption of 60 days past due.

3. If the Group is unable to determine whether there is a significant increase in credit risk since initial recognition of a financial asset, without involving undue cost or effort, the Group shall recognise a loss amount equal to life time expected losses at each reporting date till the financial asset is derecognised.

Accordingly, the Company has developed ECL model for testing of impairment of loans and advances.

47.3 Reconciliation of equity

	As at date of transition April 1, 2017			As at March 31, 2018		
	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
ASSETS						
Financial assets						
Cash and cash equivalents	2,799	-	2,799	13,562	-	13,562
Bank balances other than cash and cash equivalents	6,675	-	6,675	15,132	-	15,132
Receivables						
- Trade receivables	-	-	-	-	-	-
- Other receivables	-	5,045	5,045	-	6,442	6,442
Loans	10,25,498	29,797	10,55,295	13,46,662	87,757	14,34,419
Investments (net)	78,299	(2,501)	75,798	1,13,536	(21,361)	92,175
Other financial assets	49,501	(1,435)	48,066	84,518	(1,421)	83,097
	11,62,772	**30,906**	**11,93,678**	**1 5,73,410**	**71,417**	**16,44,827**
Non-financial assets						
Current tax assets (net)	349	-	349	3,306	-	3,306
Deferred tax assets (net)	6,065	5,670	11,735	7,224	5,963	13,187
Property, plant and equipment	4,695	-	4,695	4,816	-	4,816
Capital work-in-progress	109	-	109	-	-	-
Intangible assets	58	-	58	39	-	38
Other non- financial assets	13,435	(12,341)	1,094	17,273	(16,291)	982
	24,711	**(6,671)**	**18,040**	**32,658**	**(10,328)**	**22,329**
Total assets	**11,87,483**	**24,235**	**12,11,718**	**16,06,068**	**61,089**	**16,67,156**

	As at date of transition April 1, 2017			As at March 31, 2018		
	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Trade payables	229	-	229	123	-	123
Debt securities	2,71,000	(499)	2,70,501	2,38,500	(374)	2,38,126
Borrowings (other than debt securities)	6,39,590	42,815	6,82,405	9,77,431	82,480	10,59,911
Deposits	-	-	-	-	-	-
Subordinated liabilities	68,500	(356)	68,144	1,03,500	(285)	1,03,215
Other financial liabilities	50,921	-	50,921	60,963	-	60,963
	10,30,240	**41,960**	**10,72,200**	**13,80,517**	**81,821**	**14,62,338**
Non-financial liabilities						
Provisions	317	-	317	274	-	274
Deferred tax liabilities (net)	-	-	-	-	-	-
Non-financial liabilities	7,624	(7,150)	474	10,002	(9,342)	660
	7,941	**(7,150)**	**791**	**10,276**	**(9,342)**	**934**
EQUITY						
Equity share capital	41,216	-	41,216	45,644	-	45,644
Other equity	1,08,086	(10,574)	97,511	1,69,632	(11,392)	1,58,240
	1,49,302	**(10,574)**	**1,38,727**	**2,15,276**	**(11,392)**	**2,03,884**
Total liabilities and equity	**11,87,483**	**24,236**	**12,11,718**	**16,06,069**	**61,087**	**16,67,156**

* previous year figures were regrouped, wherever necessary to confirm to current year presentation.

	Note	April 1, 2017	March 31, 2018
Total equity (shareholder's funds) as per previous GAAP		**1,49,302**	**2,15,276**
Impact on recognition of processing fee on financial assets and financial liabilities under Effective Interest Rate method	(i), (vii)	(2,006)	(2,016)
Impact on application of Expected Credit Loss method for impairment allowance on financial assets	(ii)	(19,286)	(21,776)

	Note	April 1, 2017	March 31, 2018
Income adjustment on account of derecognition of loans (net)	(v)	5,045	6,442
Share based expenses [also refer note 47.1.(iii)]	(viii)	-	(79)
Impact of fair valuation of security deposits given toward lease of property	(x)	2	(3)
Others		-	78
Tax effects on above adjustments		5,670	5,963
Total adjustments		**(10,575)**	**(11,391)**
Total equity (shareholder's funds) as per Ind AS		**1,38,727**	**2,03,885**

47.4 Reconciliation of total comprehensive income for the year ended March 31, 2018

	Year ended March 31, 2018			
	Note	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Interest income	(i), (iii), (v), (vi),(x)	1,84,573	62	1,84,635
Fees and commission income	(i)	10,558	(5,212)	5,346
Net gain on derecognition of financial instruments	(v)	-	7,879	7,879
Income from other services		9,468	-	9,468
Total income		**2,04,599**	**2,729**	**2,07,328**
Expenses				
Finance costs	(vi), (vii)	1,01,891	3,980	1,05,871
Fees and commission expenses		4,514	-	4,514
Impairment on financial instruments/write-offs	(ii), (iii), (v)	43,499	7,605	51,104
Employee benefits expenses	(viii), (ix)	8,098	42	8,140
Depreciation and amortisation expenses		639	-	639
Other expenses	(i)	14,885	(7,751)	7,134
Total expenses		**1,73,526**	**3,876**	**1,77,402**
Profit before income tax		**31,074**	**(1,147)**	**29,926**
Current tax		11,620	-	11,620
Deferred tax	(xii)	(1,160)	(308)	(1,468)

	Year ended March 31, 2018			
	Note	Previous GAAP*	Adjustment on transition to Ind AS"	Ind AS
Income tax expense		10,460	(308)	10,152
Profit for the year		**20,614**	**(839)**	**19,774**
Share of profit of equity accounted investee (net of income tax)		42	-	42
Profit for the year		**20,656**	**(839)**	**19,816**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss	(ix)	-	46	46
Tax impact on Items that will not be reclassified subsequently to profit or loss	**(xii)**	**-**	**(16)**	**(16)**
Total comprehensive income		**20,656**	**(809)**	**19,846**

* previous year figures were regrouped, wherever necessary to conform to current year presentation.

Particulars	Note	Year ended March 31, 2018
Profit as per previous GAAP		**20,614**
Adjustments resulting in increase / (decrease) in profit after tax as reported under previous GAAP:		
Impact on recognition of processing fee on financial assets and financial liabilities under Effective Interest Rate method	(i) and (vii)	(8)
Impact on application of Expected Credit Loss method for impairment allowance on financial assets	(ii)	(2,491)
Interest on stage 3 assets	(iii)	3,868
Impairment of interest on stage 3 assets	(iii)	(3,868)
Income adjustment on account of derecognition of loans (net)	(v)	2,644
Impairment of other receivables	(v)	(1,247)
Other adjustments	(vi)	(40)
Impact of fair valuation of security deposits given toward lease of property	(x)	(5)
Tax impact on above adjustments	(xii)	**308**
Net Profit after tax for the year under Ind AS		**19,775**

Particulars	Note	Year ended March 31, 2018
Share of profit of equity accounted investee (net of income tax)		42
Other comprehensive income		
Income tax relating to items that will not be reclassified to profit or loss		46
Remeasurement loss on defined benefit plan, net of taxes		(16)
Total Comprehensive Income for the year under Ind AS		**19,846**

* previous year figures were regrouped, wherever necessary to confirm to current year presentation.

47.5 Notes to Ind AS first-time adoption

(i) Loans at amortised cost

Based on Ind AS 109, financial assets in the form of loans have been accounted at amortised cost using effective interest rate method and accordingly, upfront fee and transaction costs have been recognised using the effective interest rate method and recorded under interest income in the statement of profit and loss. Under previous GAAP, transaction costs were charged on a straight line basis to the income statement and disclosed under other expenses (as service provider fee and sourcing expenses). Similarly, upfront fee collected from customers was also recognised in the income statement on a straight line basis and disclosed under other operating income (as service charges and documentation charges). The unamortised component of these transaction costs and upfront fee were disclosed as prepaid expenses and income received in advance under previous GAAP in the balance sheet.

The impact arising from the change is summarized as follows:

		Year ended 31 Mar 2018
Statement of profit and loss - Increase / (decrease) in profit		
Upfront fee		1,401
Transaction cost		(1,402)
Adjustment before income tax		**(1)**
Statement of profit and loss - Reclassifications		
Upfront fee		5,212
Transaction cost		(7,765)
Adjustment to interest income		**(2,553)**
	As at 1 Apr 2017	**As at 31 Mar 2018**
Balance sheet		
Increase in unamortised component *	2,055	2,056
Adjustment to retained earnings	**2,055**	**2,056**

* Consequent decrease in loans

(ii) Impairment loss allowance on loans, investment and other receivables

On transition to Ind AS, the Company has recognised impairment loss on loans measured at amortised cost based on the expected credit loss model as required by Ind AS 109. Consequently, loans measured at amortised cost have been reduced with a corresponding decrease/ increase in retained earnings on the date of transition and there has been an incremental provision for the year ended March 31, 2018. The provision for standard assets and provision for non-performing assets were disclosed as provisions in the previous GAAP. Under Ind AS, the expected credit loss has been disclosed as a deduction from loans.

The impact arising from the change is summarized as follows:

		Year ended 31 Mar 2018
Statement of profit and loss - Decrease in profit		
Impairment loss allowance on loans		2,491
Adjustment before income tax		**2,491**
	As at 1 Apr 2017	**As at 31 Mar 2018**
Balance sheet		
Increase impairment loss allowance on loans #	19,286	21,776
Adjustment to retained earnings	**19,286**	**21,776**

shown as a reduction in loans

Investments

Under Previous GAAP, the Company recorded a diminution in the value of the investments in accordance with AS 13. Under Ind AS, the Company has recognised an impairment loss in accordance with Ind AS 109. Accordingly, a sum of INR 701 lakhs has been adjusted to retained earnings on transition.

Dealer trade advances

Under Ind AS, the Company has recognised an impairment loss in accordance with Ind AS 109. Accordingly, a sum of INR 651 lakhs has been adjusted to retained earnings on transition.

Other receivables

Under Ind AS, the Company has recognised an impairment loss in accordance with Ind AS 109. Accordingly, a sum of INR 618 lakhs towards security deposits and INR 100 lakhs towards other receivables has been adjusted to retained earnings on transition.

(iii) Recognition of suspended interest income (net)

Further, under previous GAAP the Company did not accrue interest income on contracts that were classified as non-performing assets in accordance with the RBI Regulations. Under Ind AS, the Company recognises interest income on stage 3 assets resulting in an increase in income of INR 3,868 lakhs for the year ended 31 March 2018 and provided for the same on account of uncertainity of its collections.

(iv) Under previous GAAP, the Company classified repossessed assets under other current assets. Under Ind AS, repossessed assets have been classified as Loans. The total value of repossessed assets at 31 March 2018 is INR 19,171 lakhs and INR 12,504 lakhs as at 1 April 2017. Further, the aforesaid repossessed assets have also been subject to the impairment assessment under Ind AS 109. These contracts have been classified as stage 3 contracts for the purposes of the expected credit loss model. Under previous GAAP, these assets were valued by the Company's in-house team and measured at lower of amounts due from the customer or net realisable value. The difference between the impairment as per Ind AS 109 and previous GAAP has been recognised under impairment loss allowance on loans.

(v) Assignment of loan portfolio

The Company derecognises the loan portfolio assigned to assignees in compliance with the derecognition criteria. Under previous GAAP, interest income spread on the loan portfolio assigned (net of minimum retention ratio) was recognised in the statement of profit and loss as and when it was accrued, i.e., over the life of the tenure of the assignment transaction. Under Ind AS, such interest income is recognized upfront i.e., at the time of assignment transaction.

This has resulted in increase in equity as on 1 April 2017 by INR 5,045 Lakhs and as on 31 March 2018 by INR 6,442 Lakhs.

The impact arising from the change is summarized as follows:

		Year ended 31 Mar 2018
Statement of profit and loss - Increase / (decrease) in profit		
Net gain on derecognition of financial instruments		7,879
Interest on other receivables		514
Reversal of excess interest spread		(5,749)
Impairment loss on other receivables		(1,247)
Adjustment before income tax		**1,397**
	As at 1 Apr 2017	**As at 31 Mar 2018**
Balance sheet		
Increase in other receivables	5,045	7,689
Impairment on other receivables	-	(1,247)
Adjustment to retained earnings	-	6,442

* Consequent decrease in other receivables

(vi) Securitisation of loans

Under Ind AS, the securitisation of loan portfolio does not meet the derecognition criteria under Ind AS 109. Accordingly, the Company has reinstated the loan portfolio in the books for transactions entered into during the financial year 2017-18. A corresponding liability is recognised for the amounts received from the transferee and disclosed as borrowings in the balance sheet. Consequently, the Company has recognised interest income on the underlying loans and also recognised interest expense for the sums payable. For transactions up to 1 April 2017, no adjustments have been made in line with the exemptions available in Ind AS 101.

The impact arising from the change is summarized as follows:

		Year ended 31 Mar 2018
Statement of profit and loss		
Interest income from financing activities		3,971
Finance costs		(3,971)
Adjustment before income tax		-
	As at 1 Apr 2017	**As at 31 Mar 2018**
Balance sheet		
Loans	43,084	82,570
Borrowings	(43,084)	(82,570)
Adjustment to retained earnings	-	-

(vii) Borrowings at amortised cost

Based on Ind AS 109, financial liabilities in the form of borrowings have been accounted at amortised cost using effective interest rate method. Accordingly, upfront transaction costs have been included in the effective interest rate computations and disclosed as interest cost in the statement of profit and loss. Under previous GAAP, these costs were amortised on a straight line basis over the tenure of the loan and disclosed under finance costs (as amortisation of processing fee). The unamortised component were disclosed under prepaid expenses under previous GAAP.

The impact arising from the change is summarized as follows:

	Year ended 31 Mar 2018
Statement of profit and loss	
Finance costs	9
Adjustment before income tax	9

	As at 1 Apr 2017	As at 31 Mar 2018
Balance sheet		
Reduction in unamortised borrowings cost*	(49)	(40)
Adjustment to retained earnings	(49)	(40)

* Consequent increase in borrowings

(viii) Share based payments measurement

The Company granted cash-settled share-based payments to certain employees. The Company accounted for these share-based payment arrangements by reference to their intrinsic value under previous GAAP. Under Ind AS, the related liability has been adjusted to reflect the fair value of the outstanding cash-settled shared-based payments. The charge for the financial year ended 31 March 2018 is higher by INR 79 lakhs.

(ix) Remeasurement of post-employment benefit obligations

Under the previous GAAP, actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability was forming part of the profit or loss for the year. However under Ind AS, such actuarial gains and losses are recognised in other comprehensive income. However, there is no major change on the total comprehensive income and total equity as at April 1, 2017 and March 31, 2018.

(x) Fair valuation of security deposits given toward lease of property

Under the previous GAAP, security deposits given towards lease of property were presented at its transaction value. However, as per Ind AS 109, security deposits given are measured at its fair value at the time of its initial recognition The difference between the initial fair value and transaction value of such deposits are considered as additional lease payment made, and is amortised over the term of such deposit, These deposits are fair valued at the end of each period based upon applicable interest rates and an interest income is recognised in statement of profit and loss. The interest income will be higher by ₹ 12 lakhs.

(xi) Other comprehensive income

Under Previous GAAP, there was no concept of OCI. Under Ind AS, fair valuation of certain loans, investments in pass through certificates and debt securities whose business model is "held to collect and sell" and re-measurement of defined benefit plan liability are recognised in OCI.

(xii) Deferred tax

Previous GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences arising on account of transition adjustments. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

48 SHARE OF INDIVIDUAL COMPANIES IN THE CONSOLIDATED NET ASSETS AND CONSOLIDATED PROFIT OR LOSS

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

INR In Lakhs

Particulars	31-Mar-19		31-Mar-18	
	%	Amount	%	Amount
Parent Hinduja Leyland Finance Limited	93.01%	2,57,382	93.20%	1,90,018
Subsidiary Hinduja Housing Finance Limited	6.90%	19,097	6.73%	13,731
Associate HLF Services Limited	0.09%	246	0.07%	135
Total	**100.00%**	**2,76,725**	**100.00%**	**2,03,884**

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

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	%	Amount	%	Amount
Parent Hinduja Leyland Finance Limited	91.75%	27,564	91.90%	18,210
Subsidiary Hinduja Housing Finance Limited	7.88%	2,368	7.89%	1,564
Associate HLF Services Limited	0.37%	111	0.21%	42
Total	**100.00%**	**30,043**	**100.00%**	**19,816**

49 TRANSFER PRICING

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

50 SPECIFIED BANK NOTES (SBNS)

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

51 SUBSEQUENT EVENTS

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

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/ W-100022

Ashish Gupta
Partner
Membership No: 215165

Place : Chennai
Date : 22nd May, 2019

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

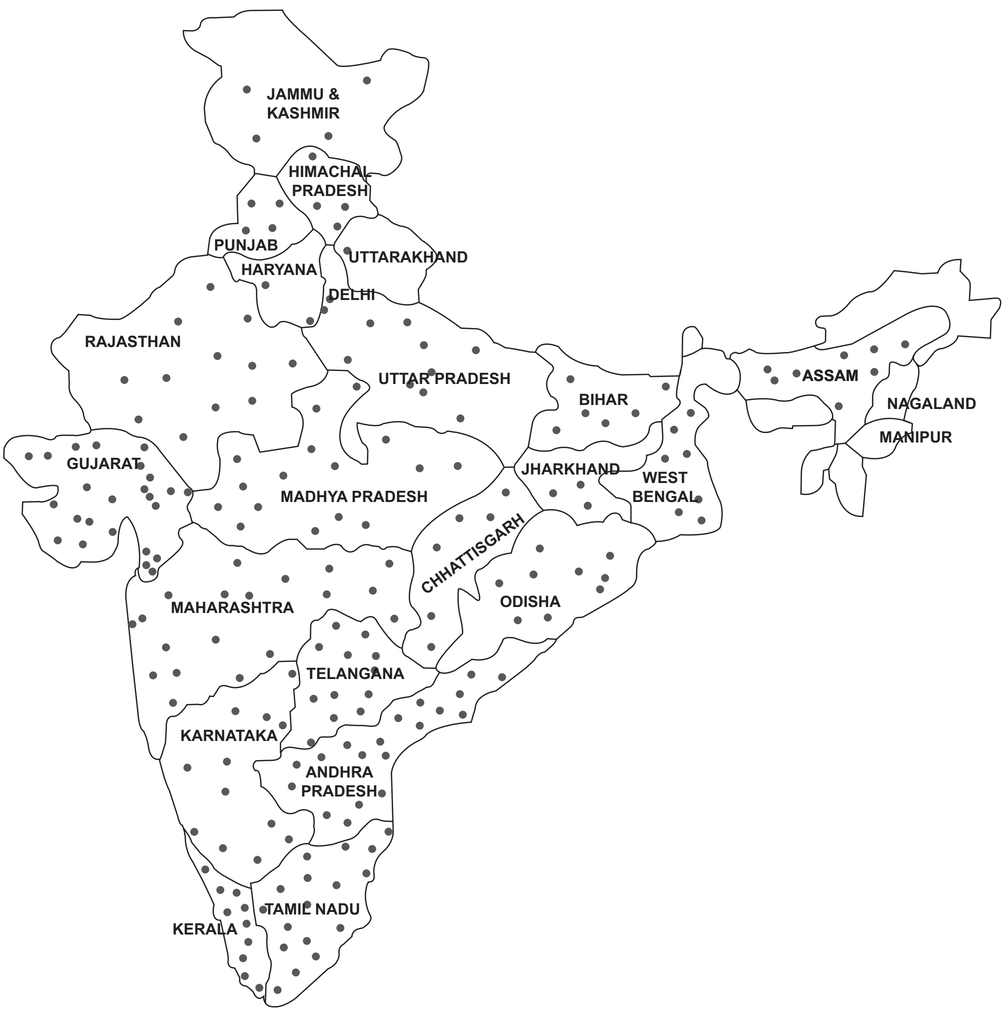
Sachin Pillai
Chief Executive Officer

Kishore Kumar Lodha
Chief Financial Officer

B Shanmugasundaram
Company Secretary
Membership No: F5949

Place : Chennai
Date : 22nd May, 2019

National Network of Business Locations



BUSINESS HUBS

ANDHRA PRADESH * Akola * Ambikapur * Amravati * Bhopal * Bilaspur * Butibori * Chandrapur * Chittoor * Dewas * Eluru * Gondia * Gudivada * Guntur * Gwalior * Indore * Jabalpur * Jagdalpur * Khammam * Kodad * Korba * Nagpur * Nellore * Ongole * Raigarh * Raipur * Rajahmundry * Rewa * Sehore * Tadepalligudem * Tirupathi * Vijayawada * Visakhapatnam * Vizag * Wardha * **DELHI AND HARYANA** * Durgapur * Faridabad * Ghaziabad * Gurgaon * Guwahati * Hissar * Jamshedpur * Kharagpur * Kolkata * Muzaffarpur * Patna * Purnea * Rohtak * Siliguri * **GUJARAT** * Ahmedabad * Anand East * Bardoli * Baroda * Bharuch * Dabhoi * Dahod * Dakor * Dhrol * Dindoli * Gandhinagar * Godhara * Jamnagar * Jamnagar * Junagadh * Kalol * Makarpura * Mehsana * Morbi * Nadiad * Navsari * Old Padra Road * Olpad * Palanpur * Rajkot * Surat * Udhna * Valsad * Vapi * Varachha * **KARNATAKA** * Bangalore * Belgaum * Bidar * Bijapur * Davanagere * Haveri * Hubli * Kolar * Mangalore * Mysore * Raichur * Shimoga * Tumkur * **KERALA** * Alappuzha * Calicut * Cochin * Kannur * Kasaragod * Kollam * Kottayam * Malappuram * Palakkad * Pathnamthitta

BUSINESS HUBS *(Contd...)*

* Thrissur * Trivandrum * **MAHARASHTRA** * Aurangabad * Bhoisar * Bhoisar * Dhule * Hadapsar * Jalgaon * Jalna * Kolhapur * Latur * Mumbai * Nanded * Nashik * Pune * Shivajinagar * Solapur * South Mumbai * Swargate * Thane * Waluj * **ORISSA** * Angul * Balasore * Berhampur * Bhubaneswar * Cuttack * Jeypore * Sambalpur * **PUNJAB** * Bilaspur Hp * Chandigarh * Jalandhar * Ludhiana * Mandi * Nalagarh * **RAJASTHAN** * Bhilwara * Bikaner * Jaipur * Jhunjunu * Jodhpur * New Jaipur * Udaipur * **TAMILNADU** * Chennai * Coimbatore * Karur * Madurai * Pondicherry * Pudukkottai * Salem * Thanjavur * Tirunelveli * Trichy * Vellore * **TELANGANA** * Adilabad * Anantapur * Anantpur * Boinpally * Boyenpally * Cuddapah * Hyderabad * Karimnagar * Kukatpally * Kurnool * L B Nagar * Mahabubnagar * Nandayal * Nizamabad * Rayalaseema * Sangareddy * Sangaredy * Vijayawada * Warangal * **UTHRAKAND** * Allahabad * Dehradun * **UTTAR PRADESH** * Bareilly * Faizabad * Hardoi * Jhansi * Kanpur * Lucknow * Mirzapur * Sultanpur * Varanasi

BUSINESS LOCATIONS

ANDHRA PRADESH * aarang * Akaltara * Amarwara * Ambikapur * Amgaon * Anakapalli * Anuppur * Baitul * Bakawand * Balaghat * Baloda Bazar * Balrampur * Baradwar * Barela * Bareli * Bemetara * Berasia * Bhadrawati * Bhandara * Bhanpuri * Bhatapara * Bhilai * Bhimadole * Bidhni * Bilaspur-Cg * Bina * Birgaon * Birra * Bishsrampur * Bramhapuri * Buttibori * Champa * Chanderpur * Chandrapur * Chhatarpur * Chindwara * Chintalapudi * Chourai * Chowdavaram * Dabagardens * Damoh * Dantewada * Depalpur * Dewas * Dhamtari * Dhar * Dharamjaigarh * Dindori * Durg * Dwaraka Tirumala * Eluru * Gadchandur * Gajuwaka * Ganjbasoda * Gargoda * Gariaband * Gondia * Guna * Gwalior * Hingana * Hinganghat * Ichhawar * Indore * Jabalpur * Jagdalpur * Jangareddygudem * Janjgir * Junnardeo * Kalmeshwar * Kamavarapukota * Kamptee * Kareli * Katgohra * Katni * Katol * Kawardha * Khandwa * Khargone * Kondagaon * Korba * Koyalagudem * Lailunga * Lohandiguda * Madhurawada * Mahagaon * Mahasmund * Maihar * Mandala * Manendragarh * Mangaliya * Manpur * Masturi * Mauganj * Mhow * Morena * Mouda * Mul * Mungeli * Nad * Nagarnar * Nagpur * Nalajerla * Narsinghpur * Narsipatnam * Nasrullaganj * Neemach * Pali * Pandharkawada * Pandhurna * Parsioni * Pathalgaon * Pawni * Pendra Road * Pendurthi * Pithampur * Pithumpur * Pulgaon * Raigarh * Raipur * Rajnandgaon * Rajpur Cg * Rajura * Ramtek * Ranjhi * Ratanpur * Ratlam * Rehti * Rewa * Sagar * Sakti * Saoner * Saraipali * Sarangarh * Sargaon * Satna * Semariya * Sendhwa * Seoni * Shadol * Shihora * Shivpuri * Shivrinarayan * Sidhi * Simrol * Singrauli * Sipat/Khariya * Siripuram * Sousar * Tilda * Tiroda * Tokapal * Tumsar * Ujjain * Umrer * Visakhapatnam * Wani * Wardha * Warora * Yelamanchili

DELHI AND HARYANA * agartala * Araria * Areraj * Arrah * Arwal * Asansol * Aurangabad Et * Aurangabad-Jk * Bagaha * Bahadurgarh * Ballabgarh * Banka * Bankura * Barasat * Baruipur * Begusarai * Benipur * Berhampore * Bettiah * Bhagalpur * Bhiwani * Bihta * Bokaro * Bongaigaon * Brahmpur * Bulandshahr * Burdwan * Buxar * C K Road * Chhapra * Contai * Cooch Behar * Daltongunj * Darbhanga * Delhi * Deoghar * Dhaka * Dhanbad * Dhupguri * Dibrugarh * Dumka * Durgapur * Faridabad * Fatehabad * Forbesganj * Garwha * Gaya * Ghaziabad * Giridih * Goalpara * Godda * Golaghat * Gopalganj * Gumla * Gurgaon * Guwahati One * Guwhati * Hajipur * Hapur * Hathin * Hazaribagh * Hissar * Hodal * Hooghly * Hooghly * Howrah * Howrah * Jahanabad * Jamshedpur * Jamui * Janak Puri * Jhajjar * Jhanjarpur * Jind * Jorhat * Karnal * Karol Bagh * Katihar * Khagaria * Khandsa * Kharagpur * Khunti * Kishanganj * Kodarma * Kolkata * Kolkata * Krishnagar * Lajpat Nagar * Lakhisarai * Lalganj * Latehar * Laxmi Nagar * Lohardaga * Loni * Mabazar * Madhepura * Madhubani * Maharajganj * Mahua * Malda * Manesar * Mangaldoi * Mashrak * Mawana * Meerut * Mg Road * Mirganj * Model Town * Motihari * Munger * Muzzafarpur * Nagaon * Nalanada * Nalbari * Narela * Narkatiyaganj * Nawada * Nit * Noida * Okhla * Old Faridabad * Palwal * Panipat * Patna * Phansidewa * Preet Vihar * Pupri * Purnea * Purulia * Raghunathganj * Ramgarh * Ranchi * Raxaul * Rewari * Rohtak * Rosra * Sahabganj * Saharsa * Sahebganj * Sahibabad * Samastipur * Sanjay Gandhi * Saraikela * Sasaram * Shahdara * Shamli * Sibsagar * Silchar * Siliguri * Simdega * Sirsa * Sitamarhi * Siwan * Sohna * Sonipat * Sujawalpur * Supol * Suri * Tamluk * Tezpur * Tinsukia * Vikramganj

GUJARAT * 150 Feet Ring Road * Aahwa * Aamod * Adajan * Adalaj * Ahmedabad * Ajwa Road * Alkapuri * Althan * Ambaji * Ambawadi * Amerli * Amroli * Anadpar * Anand * Anjar * Ankalav * Ankleshwar * Ankleshwar * Asarwa Chakla * Ashram Road * Asodar * Atak Pardi * Athwa * Atkot * Atul * Bachau * Bajwa * Balasinor * Balsinor * Balva * Bamroli * Bandhani * Bapunagar * Bardoli * Bardoli * Baroda * Baval * Bavala * Bavla * Bayad * Beraja * Bhachau * Bhadreshwar * Bhalej * Bharuch * Bhatar * Bhatia * Bhavnagar * Bhestan * Bhilad * Bhiloda * Bhuj * Bidada * Bilimora * Bodeli * Bodeli * Borsad * Borsad * Botad * Chandkheda * Chandlodia * Changodar * Chhani * Chhatral * Chhota Udaipur * Chikhali * Chiloda * Chotila * Ctm * Dabhoi * Dahej * Dahishara * Dahod * Dahod * Dakor * Dariapur * Dediapada * Deesa * Dehgam * Desalpar * Devgadh Baria * Dhandhuka * Dhanera * Dhansura * Dharampur * Dharmaj * Dholka *

BUSINESS LOCATIONS *(Contd...)*

Dhrangadhra * Dhrol * Digjam Mill * Dindoli * Dudhai * Dungari * Dwarka * Falla * Fatepura * Gandevi * Gandhidham * Gandhinagar * Garbada * Ghatlodia * Ghogamba * Godadara * Goghamba * Gojariya * Gondal * Gondal * Gondal Road * Gorwa * Gorwa * Gotri * Gundlav * Hajira * Halol * Halvad * Hapa * Haripar * Harni * Hathijan * Himmatnagar * Ider * Infocity * Isanpur * Jalalpore * Jambusar * Jambusar * Jamkandora * Jamnagar * Jamnagar Road * Jasdan * Jasdan * Jetpur * Jetpur Pavi * Jhalod * Joggers Park * Juhapura * Junagadh * Kadi * Kadod * Kadodara * Kakrej * Kalawad Road * Kalol * Kalol * Kalwada * Kamlapur * Kamrej * Kapadvanj * Kapadwanj * Kaparada * Kapodra * Karelibaug * Karjan * Karmsad * Kasturbadham * Katargam * Kathalal * Kawat * Kera * Keshod * Khajurdi * Khambaliya Gate * Khambhaliya * Khambhat * Khandvel * Khatraj * Kheda * Khedbhrama * Kheralu * Khergam * Kherulu * Khirsara * Khodiyar Colony * Kim * Kodinar * Koparli * Kosamba * Kotda Sangani * Kothariya Road * Kuha * Kukarwada * Kuvadva * Kuvadwa Road * L H Road * Lajai * Lal Darwaja * Latipar * Limbasi * Limbayat * Limkheda * Limkheda * Lodhika * Lunawada * Madhi * Magob * Mahemdabad * Mahendra Nagar * Mahesana * Mahidha * Mahua * Mahudha * Makansar * Makarpura * Maliya Miyana * Maliyasan * Mandal * Mandvi * Mangrol * Mangrol * Maninagar * Maninagar * Manjalpur * Mansa * Matar * Mehsana * Metoda Gidc * Mithapur * Modasa * Modasa Bayad * Morbi * Morbi Road * Morva (Hadaf) * Mota Varachha * Mundra * Nadiad * Nakhatrana * Nana Pondha * Naroda * Naswadi * Nava Vadaj * Navagam * Navrangpura * Navsari * Nenpur * Nilgiri * Nizampura * Ode * Odhav * Old Padra Road * Olpad * Padara * Pal * Palanpur * Paldi * Palej * Palsana * Pandesara * Pansora * Pardi * Patan * Patan * Patel Colony * Pavi Jetpur * Pethapur * Petlad * Pij * Piplod * Porbandar * Prantij * Pratap Nagar * Punagam * Radhanpur * Rajkot * Rajpipla * Rajula * Rakhial * Rampar * Rander * Ranip * Raopura * Rapar * Ratnal * Ravapar * Sachin * Salabatpura * Sama * Samkhyali * Sanand * Sankheda * Santrampur * Santrampur * Sardhar * Sarsa * Sarthana * Saru Section * Satlasana * Sattelite * Savali * Savli * Sayajigunj * Sayan * Sevaliya * Shahera * Shahibag * Shapar * Siddhapur * Sikka * Silvassa * Singanpore * Sojitra * Sola * Surat * Surat Main * Surendranagar * Talaja * Tanakhala * Tandalja * Tankara * Tarapur * Tarapur * Tarsali * Thaltej * Tharad * Thasra * U M Road * Udhna * Umargam * Umarpada * Umreth * Unjha * Unjha And Sidhpur * Upleta * V V Nagar * Vadagam * Vadnagar * Vaghodia * Vagra * Valatava * Valod * Valsad * Vankiya * Vansada * Vapi * Varachha * Vasad * Ved Road * Vejalpur * Veraval * Vihar * Vijapur * Vinchhiya * Viramgam * Virpur * Visavadar * Visnagar * Vyara * Wadi * Waghodia Road * Wankaner * Yagnik Road * Zagadiya * Zankhvav

KARNATAKA * Ashok Nagar * Athani * Badami * Bagalkot * Baikampady * Bailhongal * Banal * Banashankari * Banaswadi * Bangalore * Basava Kalyana * Basavakalyan * Basvan Bagewadi * Belgaum * Bellary * Belthangady * Bhadravathi * Bhalki * Bidar * Bijapur * Bilagi * Bommanahalli * Byadagi * Chamrajnagar * Channagiri * Chikaballpura * Chikballapur * Chikmgalore * Chikodi * Chitradurga * Chitradurga * Dabaspet * Davanagere * Devadurga * Devanahalli * Devarhippragi * Dharwad * Doddaballapura * Gadag * Gajendragad * Gangavathi * Gubbi * Gulabraga * Gulburga * Gundlupet * Gurupura * Guttal * H B Halli * Hampankatta * Hangal * Harapanahalli * Harihar * Hassan * Haveri * Hdkote * Honnalli * Hosanagar * Hoskote * Hospet * Hubli * Humnabad * Hunsur * Ilkal * Indi * Jalahalli * Jamkhandi * Jayanagar * Jodumarga * K R Puram * Kadaba * Kalaghatgi * Kgf * Kittur * Kolar * Kollegal * Koppal * Koramangala * Krnagar * Kulshekara * Kundapur * Kunigal * Lakshameshwar * Lingasugur * Madikeri * Madugiri * Mandya * Mangala Gangothri * Mangalore * Manvi * Maski * Moodubidri * Mudhol * Mulabagalu * Mundargi * Mysore * Nanjangud * Nargund * Navalgund * Panemangalore * Periyapatna * Puttur * R T Nagar * Raichur * Rajajinagar * Ramanagaram * Ranebennur * Ron * Sagar * Sandur * Saundatti * Savanur * Shiaggaon * Shikaripur * Shimoga * Sindagi * Sindhanur * Sira * Siraguppa * Sirsi * Sulya * Thirthahalli * Thorangallu * Thyavanige * Tiptur * Tumkur * Udupi * Ullal * Uppinangady * Vijapur * Vijipur * Yelahanka

KERALA * Adoor * Alappuzha * Alathoor * Alleppey * Aluva * Aroor * Attingal * Calicut * Chalakudy * Chenganacherry * Chengannur * Chenganoor * Cherpulassery * Cherthala * Cheruvathur * Chittoor * Cochin * Cochin North * Cochin South * Ettumanoor * Fort Cochin * Harippad * Irinjalakuda * Iritty * Kadaikkal * Kakkanad * Kanhangad * Kanjirapally * Kannur * Karukachal * Karunagapally * Kasaragod * Kattakada * Kayamkulam * Kazhakuttam * Kodungallur * Kollam * Kondotty * Konni * Koothattukulam * Kottakkal * Kottarakkara * Kottayam * Koyilandy * Kozencherry * Kundara * Kunnamkulam * Kuttiyadi * Malappuram * Manjeri * Manjeshwar * Mannarkadu * Mavelikkara * Muvattupuzha * Nedumangadu * Neyattinkara * Nilambur * Nileshwar * Pala * Palakkad * Pandalam * Pappanmkodu * Parasala * Parippally * Patambi * Pathanamthitta * Pattom * Payyannur * Perambara * Perinthalmanna * Ponkunnam * Punalur * Ramanattukara * Ranni * Thalassery * Thaliparamba * Thamarassery * Thiruvalla * Thodupuzha * Thrissur * Tirur * Tiruvella * Trichur * Tripunithura * Trivandrum * Vadakara * Vadakkencherry * Vaikom * Varkala * Vatakara

MAHARASHTRA * Ahmednagar * Ahmedpur * Akkalkot * Aurangabad-Mh * Ausa * Badgaon * Badnapur * Baramati * Barshi * Bedkin * Beed * Begampur * Bhoisar * Bhokar * Bhokardan * Bhor * Bhusawal * Bicholim * Canacona * Chakan * Chakur * Chalisgaon * Chinchwad * Chopda * Dahisar * Daund * Degloor * Dhanu * Dhule * Dindori * Dombivali *

BUSINESS LOCATIONS *(Contd...)*

Fulambri * Gangapur * Goa * Goti * Hadapsar * Hadgaon * Ichalkarnji * Jafrabad * Jalgaon * Jalna * Jamner * Kalamboli * Kandhar * Kannad * Karad * Karmad * Kelve * Khedshivapur * Kinwat * Kolhapur * Lasur * Latur * Loha * Lonavala * Mahur * Malegaon * Manchar * Mandrup * Manmad * Manoor * Mantha * Mapusa * Margao * Masjid Bunder * Mohal * Mumbai * Mumbai Western * Murud * Nadurbar * Nanded * Nandur Shingote * Narsi * Nashik * Navi Mumbai * Nilanga * Niphad * Paithan * Palghar * Panjim * Panvel * Parbhani * Partur * Pcmc * Pen * Pimpalgaon * Pirangut * Ponda * Pune * Ranjangaon * Ratnagiri * Raver * Saikheda * Sangamner * Sangli * Sapale * Satana * Savordem * Shahada * Shikrapur * Shirpur * Shirur * Shivaji Nagar * Shrirampur * Sillod * Sinnar * Solapur * South Mumbai * Talasari * Thane * Udgir * Vaijapur * Vasai * Vasco * Velha * Verul * Virar * Wadala * Waluj * Wangaon * Yawal * Yeola

ORISSA * Angul * Aska * Balasore * Barbil * Bargarh * Baripada * Berhampur * Bhadrak * Bhadrakh * Bhawanipatna * Bhubaneswar * Bolangir * Boudh * Cuttack * Dhenkanal * Jagatsinghpur * Jajpur * Jaleswar * Jashipur * Jeypore * Jharsuguda * Kendrapara * Keonjhar * Khallikote * Khurda * Nayagarh * Nimapara * Parlakhemundi * Phulbani * Puri * Rahama * Raygada * Rourkela * Salepur * Sambalpur * Semiliguda * Talcher * Umerkote

PUNJAB * Abohar * Ambala * Amritsar * Arniwala * Baddi * Barmana * Bathinda * Bilaspur-Hp * Chandigarh * Dabwali * Darlaghat * Dehra * Faridkot * Fazlika * Ghumarwin * Hamirpur * Hoshiyarpur * Jagraon * Jalandhar * Jammu * Joginder Nagar * Kangra * Khanna * Kotkapura * Kullu * Kurukshetra * Ludhiana * Mandi * Mansa * Moga * Mohali * Mukerian * Muktsar * Nalagarh * Palampur * Panchkula * Pathankot * Patiala * Phagwara * Rajpura * Rampur-Hp * Rohru * Ropar * Sangrur * Shimla * Sirhind * Solan * Sunni * Talwandi Sabo * Una * Yamunanagar

RAJASTHAN * Ajmer * Alwar * Anoopgarh * Bajju * Balesar * Balotra * Banswara * Baran * Barmer * Beawar * Behror * Bharatpur * Bhilwara * Bhinmal * Bijoloiya * Bikaner * Bundi * Chirawa * Chittorgarh * Chomu * Churu * Dausa * Deoli * Dungerpur * Fatehpur Shekhawati * Gangapur City * Gharsana * Hanumangarh * Hindaun City * Jaipur * Jhalawar * Jhunjunu * Jodhpur * Kekri * Kishangarh * Kishangarh Renwal * Kota * Lalsot * Lunkaransar * Merta * Nagaur * Nasirabad * Neem Ka Thana * Nohar * Nokha * Pali * Phalodi * Phulera * Pokaran * Rajsamand * Ramganj Mandi * Rawatsar * Sadulpur * Sagwara * Sardarsahar * Shahpura * Shastri Nagar * Sikar * Sri Dungargarh * Sriganganagar * Sujangarh * Sumerpur * Suratgarh * Swai Madhopur * Tonk * Transport Nagar Jaipur * Udaipur

TAMILNADU * Aavudaiyar Kovil * Adyar * Alanganallur * Alangayam * Alangudi * Alankulam * Ambasamudram * Ambattur * Ambur * Ammapet * Andipattai * Anna Nagar * Anna Salai * Annanagar * Annur * Arakonam * Aranthangi * Aravakurichi * Ariyalur * Arni * Aruppukottai * Attur * Avaniyapuram * Avinashi * Ayyampettai * Bagalur * Bagayam * Bhavani * Bodinayakkanur * Chengalpattu * Chennai * Chinna Tharapuram * Chinnasalem * Chinniyampalayam * Chrompet * Cinnamanoor * Coimbatore * Cuddalore * Cumbam * Denkanikottai * Dharmapuri * Dindigul * Ecr * Elumalai * Erode * Ganapathy * Gingee * Gobichetty Palayam * Gudalur * Harur * Hosur * Kalakkadu * Kallakurichi * Kamarajar Salai * Kamudi * Kanchipuram * Kandili * Karaikal * Karaikudi * Karimangalam * Kariyapatti * Karur * Katpadi * Kaveripattinam * Keeranur * Kelamangalam * Kinathukadavu * Kolathur * Kovilpatti * Krishnagiri * Kulithalai * Kumbakonam * Kuniyamuthur * Kurinjipadi * Lalgudi * Madhavaram * Madhuranthakam * Madurai * Manalmelgudi * Manamadurai * Manapparai * Mannargudi * Maraimalai Nagar * Marthandam * Mayiladudurai * Melur * Mettupalayam * Mettur * Musiri * Nagamalai Pudukkottai * Nagerkoil * Naggapattinam * Namakkal * Natham * Nilakottai * Oddanchathiram * Omalur * Ooty * Othakadai * Palacode * Palani * Palladam * Pallipalayam * Pappireddipatti * Paramakudi * Parrys * Pattukottai * Peelamedu * Peraiyur * Perambalur * Perambur * Periyakulam * Periyanaickenpalayam * Perundurai * Pettavaithalai * Pollachi * Polur * Pondicherry * Ponnaamaravathy * Poonamalle * Pudukkottai * R S Mangalam * Rameswaram * Ramnad * Ranipet * Rasipuram * Redhills * Saidapet * Salem * Sankiri * Saravanampatti * Sathuvachary * Sattur * Selvapuram * Shoolagiri * Singanallur * Sivagangai * Sivakasi * Sriperumbudur * Srirangam * Sulur * Sundarapuram * T Nagar * T.kallupatti * Tambaram * Tenkasi * Thally * Thammampatty * Thanjavur * Theni * Thirukalkundram * Thirukanur * Thirukkattupalli * Thirukkoilur * Thirumangalam * Thirumayam * Thirupparankundaram * Thiruvaiyaru * Thiruverumbur * Thiruvottiyur * Thisaynvilai * Thudiyalur * Thuraiyur * Tindivanam * Tiruchengode * Tirunalveli * Tirupattur * Tirupur * Tiruttani * Tiruvallur * Tiruvarur * Tirvanmiyur * Trichy * Tuticorin * Tv Malai * Usilampatti * Vadavalli * Vadipatti * Valapady * Valasaravakkam * Valliyoor * Vanadalur * Vaniyambadi * Velacherry * Vellayuthapalayam * Vellore * Villianur * Villupuram * Virudhachalam * Virudhunagar

TELANGANA * Adilabad * Adoni * Alampur * Allagadda * Alur * Anantapur * Anantpur * Armoor * Atmakur * Attapur * Badvel * Balanagar * Balkonda * Banaganapalli * Banswada * Begum Bazar * Bejjanki * Belampalli * Bethamcherla * Bodhan * Bowengiri * Boyenpally * Chintal * Choppadandi * Choutupal * Choutupal * Cuddapah * Dharmavaram * Dhone * Dichpalli * Gadwal * Gajwel * Ghatkesar * Giddalur * Godavarikhani * Gooty * Gudur * Guntakal * Hindupur * Hindupur * Huzurabad * Hyderabad * Jagityal * Jammikunta * Jangaon * Jannaram * Jogipet * Kadiri * Kalawakurthy *

BUSINESS LOCATIONS *(Contd...)*

Kalayandurg * Kamareddy * Karimnagar * Kesamudram * Keshavapatnam * Khagaznagar * Khirthabad * Koilakuntla * Kompally * Kondapur * Korutla * Kosgi * Kukatpally * Kurnool * Lb Nagar * Luxettipet * Mahabubabad * Mahabubnagar * Mahbubabad * Malkajgiri * Mallepally * Mancherial * Medak * Medchal * Metpalli * Mydukur * Nagarkurnool * Nalgonda * Nandayal * Nandikotkur * Nandipet * Nandyal * Narasapur * Narayanapet * Narsampet * Nirmal * Nizamabad * Old City * Parigi * Parkal * Pattikonda * Pedapalli * Peddapalli * Penukonda * Porumamilla * Proddatur * Produttur * Pulivendla * Railwaykoduru * Rajampet * Ranigunj * Ranigunj * Rayachoti * Rayachoti * Rayadurg * Rc Puram * Rtc X Roads * Sadasivapet * Sangareddy * Santhnagar * Santhosh Nagar * Secunderabad * Shadnagar * Shameerpet * Shankarpally * Siddipet * Sr Nagar * Sricilla * Stationghanpur * Sultanabad * Tadipatri * Tandur * Thorrur * Uppal * Uravakonda * Varni * Vempalli * Vemulavada * Vikarabad * Wanaparthy * Warangal * Yemmiganur * Zahirabad

UTHRAKAND * Agra * Aligarh * Badaun * Bijnor * Dehradun * Firozabad * Haldwani * Haridwar * Kashipur * Mainpuri * Mathura * Moradabad Ud * Muzaffernagar * Pilibhit-Ud * Rishikesh * Roorkee * Rudrapur * Saharanpur * Sambhal

UTTAR PRADESH * Allahabad * Ambedkar Nagar * Amethi * Anpara * Auraiya * Azamgarh * Badaun * Bahraich * Balia * Balrampur * Banda * Barabanki * Bareilly * Bareilly * Bhadohi * Chandauli * Chitrakoot * Chopan * Deoria * Etah * Etawah * Faizabad * Farukhabad * Fatehpur * Gazipur * Gonda * Gorakhpur * Hardoi * Jaunpur * Jhansi * Kadipur * Kannauj * Kanpur * Kaushambi * Khaga * Kunda * Lakhimpur * Lakhimpur Kheri * Lalganj * Lalitpur * Lucknow * Mahoba * Malhiabad * Mau * Mauaima * Mirzapur * Moradabad * Narayanpur * Orai * Phoolpur * Pilibhit * Pratapgarh * Rae Bareilly * Ramabai Nagar * Rampur Up * Rath * Renukoot * Robertsganj * Shahjahanpur * Shankargharh * Siddharthnagar * Sitapur * Sonebhadra * Sulthanpur * Unchahar * Unnao * Varanasi *

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