



BOARD OF DIRECTORS

Mr. Dheeraj G Hinduja, *Chairman*
 Mr. S Nagarajan, *Executive Vice Chairman*
 Mr. R Sundararaman
 Mr. Atul Kapur
 Mr. R S Sharma
 Mr. D Sarkar
 Ms. Bhumika Batra
 Mr. Gopal Mahadevan
 Mr. Sudhanshu Tripathi
 Mr. Samir Bhatia
 Dr. Andreas Biagosch

KEY MANAGERIAL PERSONNEL

Mr. Sachin Pillai, *Chief Executive Officer*
 Mr. G Vijayakumar, *Chief Financial Officer*
 Ms. J Meenakshi, *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@hindujaleylfinance.com
 www.hindujaleylfinance.com

AUDITORS

M/s. B S R & Co. LLP
 Chartered Accountants
 No.10, Mahatma Gandhi Road
 Nungambakkam, Chennai - 600034.

BANKERS

Allahabad Bank
 Axis Bank Limited
 Bank of Baroda
 Canara Bank
 Central Bank of India
 Citi 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
 State Bank of India
 Syndicate Bank
 The Federal Bank Limited
 Union Bank of India
 United Bank of India
 Vijaya Bank

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FINANCIAL HIGHLIGHTS AT A GLANCE

(₹ in Crores)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Disbursements	9,933.00	7,075.00	5,125.00	2,628.00	2,100.00
Assets under Management	14,070.00	10,001.00	6,550.00	3,887.00	3,280.00
Revenue from Operations	1,486.31	1,145.69	814.34	596.17	499.40
Profit Before Tax	256.76	224.58	165.28	123.00	135.28
Profit After Tax	167.53	150.02	111.56	81.19	91.38
Fixed Assets	46.06	40.88	34.35	33.73	11.42
Shareholder's Funds	1,490.18	1,068.83	917.13	804.21	526.02
Net NPA	3.10%	2.76%	2.90%	2.64%	2.76%
Capital Adequacy Ratio	15.84%	16.19%	19.67%	20.42%	15.95%
Branches	1,500+	1,500+	1,500	948	620+



BOARD'S REPORT

Your Directors have pleasure in presenting the Ninth Annual Report of the Company, together with the audited financial statements of the Company, for the year ended March 31, 2017

Financial Results

(₹ in Crores)

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Revenue from Operations	1,486.31	1,145.69
Less: Total Expenditure	1,226.45	921.11
Profit before exceptional items and tax	259.86	224.58
Exceptional Items	3.10	-
Profit Before Tax	256.76	224.58
Profit After Tax	167.53	150.02
Surplus / Shortfall brought forward	434.33	314.41
Amount available for appropriation	601.86	464.43
Appropriations have been made as under:		
Transfer to:		
- Statutory Reserve	33.51	30.10

Company's Performance

During the year, your Company achieved a 40% growth in disbursements (Rs.9,933 Crores) over previous year (Rs.7,075 Crores).

Your Company's net profit grew by 12% (Rs.167.53 Crores) over the previous year (Rs.150.02 Crores) and net worth of the Company stood at Rs.1,490.18 Crores as at March 31, 2017.

Assets under management was at Rs.14,070 crores as against Rs.10,001 Crores, registering a growth of 41%. Standard assets constituted 95.7% of the total assets under management and the net non-performing assets after provisioning stood at 3.1%.

Your Company has presence in all the states covering over 1,500 locations.

Resource Mobilisation

Total Borrowings

Your Company's overall borrowings as on March 31, 2017 was Rs.9,428 Crores as against Rs.7,351 Crores in the previous year.

During the year, your Company availed term loan facilities from Banks to the extent of Rs.3,115 Crores.

Non-Convertible Debentures

Your Company had issued secured redeemable Non-Convertible Debentures (NCDs) of Rs.710 Crores on private placement basis. Your Company's NCDs have been listed on Wholesale Debt Market segment of Bombay Stock Exchange. NCDs have been rated as CARE A+ by CARE as of March 31, 2017.

Commercial Paper

During the year, your Company raised Rs.1,525 crores of Commercial Papers (CPs) and repaid on maturity. All the CPs were assigned A1+ by CARE and there was no outstanding as of March 31, 2017.

Subordinated Debt

During the year, your Company raised Rs.180 Crores through issue of long term unsecured non-convertible subordinated debentures. This issue was rated as A+ by ICRA Limited.

Capital Adequacy Ratio

Capital adequacy ratio was at 15.84% as at March 31, 2017, as against statutory requirement of 15% for non-deposit accepting NBFCs.

Credit Ratings

The Credit Analysis & Research Limited (CARE) and ICRA Limited (ICRA) have assigned company ratings of A+ (stable) for the debt comprising term loans and working capital facilities from banks and financial institutions and secured redeemable non-convertible debentures and unsecured redeemable non-convertible debentures (subordinated debt instruments) issued by the Company. The ratings have not changed as compared to the previous year.

Share Capital

During the year under review, as per the terms of letter of offer issued to the existing shareholders, your Company had allotted 3,17,04,302 equity shares at a face value of Rs.10 per share (including a premium of Rs.69 per share) aggregating to Rs.250.46 crores on 28th December, 2016. Your Company had allotted 17,33,000 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 Reserves

During the year, Rs.33.51 crores was 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 Company has passed a resolution for non-acceptance of deposits from public.

Asset Finance Company

During the year, your Company retained its categorisation as an Asset Finance Company (AFC) under the RBI Directions.

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 great transparency in the business operations. A report on corporate governance is attached and forms part of this report. Chief Executive Officer and Chief Financial Officer have submitted a certificate to the Board regarding the financial statements as required under the internal guidelines on corporate governance (Annexure B).

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

In terms of Section 152 of the Act and as per Article 61 of the Articles of Association of the Company, Mr. Dheeraj G Hinduja (DIN: 00133410) retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Pursuant to the requirement of an Independent Director from the Holding Company to be appointed on the Board of an Unlisted Material Subsidiary Company, Dr. Andreas H Biagosch (DIN 06570499) was appointed as an Additional Director (Independent Director) at the Board meeting held on November 10, 2016 and holds office up to the ensuing annual general meeting of the Company. Your Company has received a notice under the provisions of Section 160 of the Act proposing the candidature of Dr. Biagosch as a director and your board recommends the appointment of Dr. Biagosch as an independent director of the Company not liable to retire by rotation.

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 Management 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, Mr. Sachin Pillai, Chief Executive Officer, Mr. G. Vijayakumar, Chief Financial Officer and Ms. J. Meenakshi, Company Secretary.

Mr. S. Ramasamy, ceased to be the Company Secretary of the Company effective August 31, 2016. Subsequently, the Board of Directors in their meeting held on November 10, 2016, in terms of Section 203 of the Act had appointed

Ms. J. Meenakshi as Company Secretary of the Company.

Statutory Auditors

Pursuant to the provisions of Sections 139 and 141 of the Act, M/s. B S R & Co. LLP, Chartered accountants were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting (AGM) to be held in the year 2019, subject to ratification by members at every AGM to be held during their term.

Accordingly, your directors recommend the ratification of appointment of M/s. B S R & Co. LLP, Chartered accountants, as Statutory Auditors of the Company, from the conclusion of ninth annual general meeting till the conclusion of tenth annual general meeting of the Company. The statutory auditors have confirmed their eligibility for re-appointment.

The Auditor's Report for FY 2016-17 does not contain any qualification, reservation or adverse remarks. The Auditor's 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 Company appointed M/s. G. Ramachandran & Associates, company secretaries to undertake the secretarial audit of the Company for FY 2017-18. The audit report is attached and forms part of this report and does not contain any qualification (Annexure C).

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 1,60,000 stock options were granted to Mr. Sudhanshu Tripathi, Non-executive Director of the Company and 10,30,000 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 March 31, 2017 are being provided as an Annexure to this report (Annexure D).

Compliance under Companies Act, 2013

In terms of Section 134 of the Act read with the Companies (Accounts) Rules, 2014, your Company complied with the compliance requirements and the detail of compliances under Companies Act, 2013 are enumerated below:

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 March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) for the financial year ended March 31, 2017, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments 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 March 31, 2017.
- 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 E).

Number of meetings of the Board

The Board met 6 (Six) 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 under 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 F).

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 2016-17 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 34 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 (March 31, 2017) and the date of the Report (May 23, 2017).

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. The Risk Management Committee and the Asset Liability Management Committee review and monitor 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.

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 reports to the Audit Committee of the Board.

The internal audit department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

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 March 16, 2015 has approved a policy on CSR and the policy is hosted on the website of the Company.

This being the third year of CSR requirement, we have, so far, put in place necessary infrastructure 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 G).

Board Evaluation

Pursuant to the provisions of Section 134(3)(p) of the Act read with Rule 8(4) of Companies (Accounts) Rules, 2014, the Board, its Committees and the Directors have carried out annual evaluation / annual performance evaluation, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Independent Directors was carried out by the entire Board. The Board has undergone a formal review by engaging an external consultant. This has resulted in assessment of Board effectiveness, performance of Committees and Directors' feedback.

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.

Sexual Harassment Policy

Your Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the 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. During the calendar year ended December 31, 2016, there were no referrals received by the ICC. The said policy is uploaded on the website of the Company.

Significant and material orders

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future. However, subsequent to the financial year ended March 31, 2017, a penalty of Rs.5 lakhs has been imposed on the Company by RBI vide its Order dated April 11, 2017 on the grounds that the charging of interest and communication to the borrower was not done in transparent manner as prescribed in the RBI guidelines on Fair Practices Code and the same was paid by the Company.

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 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 provisions of Section 134(3)(m) of the Act and the Rules made there under relating to conservation of energy, technology absorption do not apply to your Company as it is not a manufacturing company. However, your Company has been increasingly using information technology in its operations and promotes conservation of resources. During the year under review, there were no foreign exchange earnings and expenditure was Rs.66.92 Lakhs.

Industry Overview

The Outlook of the Commercial Vehicle (CV) industry started on a positive note in fiscal after strong recovery in FY 2016 on the back of replacement-led demand. However, in the year 2017, after witnessing healthy growth of 13% in the first quarter, the growth momentum slowed down from the second quarter onwards as Medium & Heavy Commercial Vehicles (M&HCVs)-Truck started witnessing sudden contraction. The expected upturn on account of pre-buying on the phase of introduction of BS-IV from the next financial year got negated with the announcement of GST implementation. Fleet operators held back on their renewal / addition plan on expectation of vehicle prices may fall once GST is implemented. Along with these factors, the industrial activity also witnessed slowdown during the year leading to lesser support by way of cargo availability and in turn demand for M&HCVs.

Demonetization had an effect on all vehicle categories viz., M&HCVs, Small Commercial Vehicles, Three Wheelers, Two wheelers etc., leading to a slump in sales in the third quarter, the industry witnessed a modest recovery from February 2017 onwards and is further expected to stabilize in the first half of 2018.

Outlook

NBFCs have emerged as an alternative to mainstream banking and have helped fill gaps in

the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroot level makes them a critical cog in the financial system especially in retail lending. While NBFCs have grown at CAGR of 20% in last 5 years, vehicle finance industry has grown by only 16-18% and is expected to grow at the same average in the future. The impact of key macro indicators like BS-IV norms, government ban on plying 15-year-old vehicle, GST implementation etc. may further impact vehicle finance growth in the form of rising inventory costs, higher replacement demand, resale values and enhance the Used Commercial Vehicle financing market in the semi urban and rural areas.

In pursuit of a sustainable growth strategy in the vehicle finance space, your Company will look to further strengthen capabilities on the following parameters:

1. Constantly review the customer segment in which the Company operates and make changes in policies in line with the changes in customer dynamics and associated risks
2. Adapt to meet competitive pressures
3. Focus on building effective strategic platform that helps the Company garner market share, size and growth
4. Bring down operating costs through digital initiatives and strategic tie-ups
5. Review and re-align credit strategy to manage receivables better and also reduce loss on repossession

Your company has a presence in the Loan Against Property segment, wherein the expected market potential is Rs. 5 lakh crores emanating primarily from Tier II and Tier III cities. Given the reach established of having a presence in 1500 locations, your Company is well positioned to tap this potential.



In the affordable housing segment, there is a huge growth potential for housing finance industry in India. Supply of affordable housing finance is constrained mainly by banks' inability to accurately assess credit risk associated with low-income borrowers and lower profit margins, lack of land titles and uncertainty of repossession. Lending to this segment has been restricted, primarily by:

- High costs of serving on account of small ticket size and lower volumes
- Unknown risks associated with informal segment, wariness of financiers with regard to high delinquencies and uneven payback patterns

Given the strengths of having established the reach and understanding of the self-employed segment in terms of underwriting, the operating strategy of Hinduja Housing Finance Limited has been planned keeping in mind the market position,

average ticket size and geographic segments. In line with the same, the products have been developed.

Acknowledgement

Your Directors wish to place on record their deep appreciation for the whole-hearted and sincere co-operation 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 also 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
Date : 23rd May, 2017

Dheeraj G Hinduja
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	9,000 (9,00,00,000 Equity Shares of Rs.10/- each)
5)	Reserves & surplus	189.35
6)	Total assets	46,319.54
7)	Total Liabilities	46,319.54
8)	Investments	NIL
9)	Turnover	2,479.85
10)	Profit before taxation	302.51
11)	Provision for taxation	119.70
12)	Profit after taxation	182.81
13)	Proposed Dividend	Nil
14)	% of shareholding	100%

Notes:

- Names of subsidiaries which are yet to commence operations - Nil
- Names of subsidiaries which have been liquidated or sold during the year - Nil

Part “B”: Associates

S.No.	Particulars	Details
1)	Name of Associate Company	HLF Services Limited
2)	Latest audited Balance Sheet Date	31 st March, 2017
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%	45.9%
4)	Description of how there is significant influence	The Company holds 45.9% of the share capital of M/s. HLF Services Limited
5)	Reason why the associate/joint venture is not consolidated	NA
6)	Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 95,84,805 (Total Net worth Rs.2,08,81,929)
7)	Profit/(Loss)for the year	₹ 39,30,135
	Considered in Consolidation	₹ 39,30,135
	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 : 23rd May, 2017

Dheeraj G Hinduja
Chairman

Annexure B

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 recognises 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, 2017, your Company's Board consists of 11 (Eleven) 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 S Sharma	Non-Executive	Independent Director
Mr. R Sundararaman	Non-Executive	Independent Director
Ms. Bhumika Batra	Non-Executive	Independent Director
Mr. D Sarkar	Non-Executive	Independent Director
Mr. Samir Bhatia	Non-Executive	Independent Director
Dr. Andreas H Biagosch*	Non-Executive	Independent Director

* Appointed as an Additional Director at the Board meeting held on November 10, 2016.

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 6 (Six) times on the following dates;

FY 2016-17	Meeting dates
April '16 – June '16 (Q1)	May 10, 2016
July '16 – September '16 (Q2)	July 19, 2016
October '16 – December '16 (Q3)	November 10, 2016
January '17 – March '17 (Q4)	January 24, 2017, March 11, 2017 & March 20, 2017

The necessary quorum was present at all the meetings. Video/tele-conferencing facilities were also used to facilitate Directors travelling abroad or at other locations to participate in the meetings. The proceedings of the meetings held through Video Conferencing are duly recorded by the Company. Each Director informs the Company on an annual basis about the Board and Board Committee positions he occupies in other companies including Chairmanships and notifies changes during the term of their Directorship in the Company.

Attendance during the financial year 2016-17 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	6/6	0/1
Mr. S Nagarajan	6/6	0/1
Mr. Gopal Mahadevan	6/6	0/1
Mr. Sudhanshu Tripathi	6/6	0/1
Mr. Atul Kapur	3/6	0/1
Mr. R S Sharma	6/6	0/1
Mr. R Sundararaman	6/6	0/1
Ms. Bhumika Batra	6/6	0/1
Mr. D Sarkar	6/6	0/1
Mr. Samir Bhatia	6/6	0/1
Dr. Andreas H Biagosch *	2/4*	0/1

* Appointed as an Additional Director at the Board meeting held on November 10, 2016.

Separate meetings of the Independent Directors

During the year under review, in line with the requirement under Section 149(8) and Schedule IV of the Companies Act, 2013, the Independent Directors had a separate meeting on January 24, 2017, without the presence of Non-Independent Directors and Members of Management. All the Independent Directors were present at the Meeting and no adverse feedback emanated from the meeting.

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	Position Held	No. of meetings attended / eligible	Meeting Dates
Mr. R Sundararaman	Chairman	4/4	May 10, 2016 July 19, 2016 November 9, 2016 January 23, 2017
Mr. D Sarkar	Member	4/4	
Mr. Samir Bhatia	Member	4/4	
Ms. Bhumika Batra	Member	4/4	
Mr. Gopal Mahadevan	Member	4/4	
Mr. Atul Kapur	Member	2/4	

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 reportees. 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	Position Held	No. of meetings attended / eligible	Meeting Dates
Mr. R S Sharma	Chairman	3/3	May 10, 2016 November 10, 2016 January 24, 2017
Mr. Dheeraj G Hinduja	Member	3/3	
Mr. D Sarkar	Member	3/3	
Mr. Sudhanshu Tripathi	Member	3/3	

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. Bhumika Batra	Chairman	2/2	November 9, 2016 January 23, 2017
Mr. S Nagarajan	Member	2/2	
Mr. Sudhanshu Tripathi	Member	2/2	

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 meeting is as follows:

Name	Position Held	No. of meetings attended / eligible	Meeting Dates
Mr. Dheeraj G Hinduja	Chairman	1/1	November 9, 2016
Mr. S Nagarajan	Member	1/1	
Mr. Sudhanshu Tripathi	Member	1/1	
Ms. Bhumika Batra	Member	1/1	

Risk Management Committee and Asset Liability Management Committee

The Risk Management Committee (RMC) and the Asset Liability Management Committee (ALCO), were 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	2/2	May 9, 2016 November 10, 2016
Mr. S Nagarajan	Member	2/2	
Mr. R S Sharma	Member	1/2	
Mr. Atul Kapur	Member	0/2	

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	2/2	May 9, 2016 November 9, 2016
Mr. Gopal Mahadevan	Member	2/2	
Mr. Atul Kapur	Member	1/2	

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.

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

Name	Position Held	No. of meetings attended / eligible	Meeting Dates
Mr. Gopal Mahadevan	Chairman	NA	No meeting held during the year
Mr. S Nagarajan	Member	NA	
Mr. Atul Kapur	Member	NA	
Mr. Samir Bhatia	Member	NA	

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. R. Sundararaman	Chairman	2/2	July 11, 2016 November 25, 2016
Mr. S Nagarajan	Member	2/2	
Mr. Gopal Mahadevan	Member	2/2	
Mr. Samir Bhatia	Member	2/2	

CEO / CFO CERTIFICATION

Mr. Sachin Pillai, Chief Executive Officer and Mr. G. Vijayakumar, Chief Financial Officer have given a certificate to the Board with regard to financial statements, compliance and internal control systems of the Company given as an Annexure at the end of this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of 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 had approved the Whistle Blower Policy 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 there were no complaints received during the year.

On behalf of the Board of Directors

Place : Chennai
Date : 23rd May, 2017

Dheeraj G Hinduja
Chairman

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, 2017.

Place : Chennai
Date : 23rd May, 2017

S. Nagarajan
Executive Vice Chairman & Whole-time Director

CEO / CFO Certification

To

The Board of Directors

Hinduja Leyland Finance Limited

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March 2017 and that to the best of our knowledge and belief:
- i) These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that:
- i) There have been no significant changes in internal control over financial reporting during this year.
 - ii) There have been no significant changes in accounting policies during this year and
 - iii) There have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Chennai

Date : 23rd May, 2017

Sachin Pillai

Chief Executive Officer

G Vijayakumar

Chief Financial Officer

Annexure C
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2017

[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 - 600032

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 me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my 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 authorised 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, 2017 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, 2017 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 Non- Banking Financial Companies including Systemically important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, Reserve Bank of India (Non-Banking Financial Companies) Returns Specification, 1997
- (viii) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (ix) Employees State Insurance Act, 1948
- (x) Indian Contract Act, 1872

- (xi) Income Tax Act, 1961
- (xii) Finance Act, 1994 (Service Tax) and rules thereunder
- (xiii) Indian Stamp Act, 1999
- (xiv) Negotiable Instruments Act, 1881
- (xv) Payment of Bonus Act, 1965
- (xvi) Payment of Gratuity Act, 1972
- (xvii) Maternity Benefits Act, 1961
- (xviii) Minimum Wages Act, 1948
- (xix) Payment of Wages Act, 1936 and other applicable labour laws
- (xx) Shops and Establishments Act as per the respective states.

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. Issued 31,704,302 Equity Shares of Rs.10/- each at a premium of Rs.69.00 per share on right basis to its existing shareholders on 28.12.2016.
2. Issued Secured Non-Convertible Redeemable Debenture aggregating to ₹ 7,100 Crore and Unsecured Subordinate Non-Convertible Debt amounting to ₹180 Crore.
3. Issued 17,33,000 Equity Shares under Employees Stock Option Scheme during the year under review.

FOR G RAMACHANDRAN & ASSOCIATES
Company Secretaries

G. RAMACHANDRAN
Proprietor

Place : Chennai
Date : 23rd May, 2017

ACS No.9865 CoP No.3056

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

S.No.	Nature of Disclosures	Particulars
a)	Options granted	41,85,000
b)	The pricing formula	Options granted at fair market value
c)	Options vested and exercisable	2,45,000
d)	Options exercised	2,234,000
e)	The total no. of shares arising as a result of exercise of Options	2,234,000
f)	Options lapsed / surrendered	1,90,000
g)	Variation of terms of Options	NA
h)	Money realised by exercise of options during 2016-17	₹ 19,724,000
i)	Total number of Options outstanding in force	17,61,000
j)	i) Details of Options granted to Key Managerial Personnel	Mr. S. Nagarajan – 20,00,000 Mr. Sachin Pillai – 2,00,000 Mr. G. Vijayakumar – 1,00,000
	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	Mr. Sudhanshu Tripathi - 160,000 (13.45%) Mr. Venkatesh Kannappan - 75,000 (6.3%) Mr. Kaustabh Ghosh - 75,000 (6.3%)
	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	NA
k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard AS-20	Diluted EPS as of March 31, 2017 is ₹ 4.31 per share
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	Compensation Cost as per the Intrinsic Value method (₹137.67 lakhs) adopted by the Company is lower by ₹19.71 lakhs when compared to compensation cost using the fair value method (₹157.38 lakhs)
	ii) Impact of the difference mentioned in (i) above on the profits of the company	₹ 19.71 lakhs
	iii) Impact of the difference mentioned in (i) above on the EPS of the company	Nil
m)	i) Weighted average exercise price of Options	₹ 45.88/-
	ii) Weighted average fair value of Options	₹ 62.44/-

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)	
	(a) Risk free interest rate	Following are the risk-free interest rates (based on government bonds considered in the valuation methodology): <ul style="list-style-type: none"> • Options granted in March 2014 - 8.00% • Options granted in November 2016 – 6.88%
	(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 : 23rd May, 2017

Dheeraj G Hinduja
Chairman

Annexure E
FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2017

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	Listed (Debt Listed)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any	Karvy Computershare Pvt. Ltd., Flat No #F11, 1 st 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	Hypothecation Loan / Hire Purchase	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	L34101TN1948PLC000105	Holding	57.20	2(46)
2	Hinduja Housing Finance Limited	U65922TN2015PLC100093	Subsidiary	100.00	2(87)
3	HLF Services Limited	U67190TN2010PLC076750	Associate	45.90	2(6)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual / HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%	
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%	
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%	
d) Bodies Corp.	250,499,800	-	250,499,800	66.14%	271,518,288	-	271,518,288	65.88%	-0.27%	
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%	
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%	
Sub Total (A) (1)	250,499,800	-	250,499,800	66.14%	271,518,288	-	271,518,288	65.88%	-0.27%	
(2) Foreign										
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%	
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%	
c) Bodies Corp.	70,000,000	-	70,000,000	18.48%	-	-	-	0.00%	-18.48%	
d) Banks / FI	-	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%	
Sub Total (A) (2)	70,000,000	-	70,000,000	18.48%	-	-	-	0.00%	-18.48%	
TOTAL SHARE HOLDING OF PROMOTERS (A)	320,499,800	-	320,499,800	84.63%	271,518,288	-	271,518,288	65.88%	-18.75%	

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%
Sub-total (B)(1)	-	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]			No. of Shares held at the end of the year [As on 31-March-2017]			% Change during the year	
	Demat	Physical	Total	Demat	Physical	Total		% of Total Shares
2. Non-Institutions								
a) Bodies Corp.	-	-	-	-	-	-		
i) Indian	-	-	-	-	-	-	0.00%	
ii) Overseas	57,717,619	-	57,717,619	138,403,433	-	138,403,433	33.58%	
b) Individuals	-	-	-	-	-	-	-	
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	101,160	101,160	-	234,160	234,160	0.66%	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	400,040	400,040	-	2,000,040	2,000,040	0.49%	
c) Others (specify)	-	-	-	-	-	-	0.00%	
Non Resident Indians	-	-	-	-	-	-	0.00%	
Overseas Corporate Bodies	-	-	-	-	-	-	0.00%	
Foreign Nationals	-	-	-	-	-	-	0.00%	
Clearing Members	-	-	-	-	-	-	0.00%	
Trusts	-	-	-	-	-	-	0.00%	
Foreign Bodies - D R	-	-	-	-	-	-	0.00%	
Sub-total (B)(2)	57,717,619	501,200	58,218,819	138,403,433	2,234,200	140,637,633	34.12%	
Total Public (B)	57,717,619	501,200	58,218,819	138,403,433	2,234,200	140,637,633	34.12%	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	0.00%	
Grand Total (A+B+C)	378,217,419	501,200	378,718,619	409,921,721	2,234,200	412,155,921	100.00%	

Note: Pursuant to the consent of Board at its meeting held on 23rd March, 2016, Ashok Leyland Limited & Hinduja Power Limited were classified as promoters, other entities & individuals were declassified as promoters.

(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	217,499,800	57.43%	0%	235,749,382	57.20%	0%	-0.23%
2	Hinduja Power Limited	70,000,000	18.48%	0%	-	0.00%	0%	-18.48%
3	Hinduja Ventures Limited*	19,888,890	5.25%	0%	21,557,692	5.23%	0%	-0.02%
4	Aasia Corporation LLP*	13,111,110	3.46%	0%	14,211,214	3.45%	0%	-0.01%
		320,499,800	84.63%	0%	271,518,288	65.88%	0%	

Note : Promoter group*

(iii) Change in Promoters' Shareholding

S. No.	Particulars	Date	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		217,499,800	57.43%	217,499,800	57.43%
	Changes during the year	28-Dec-16	18,249,582	4.43%	235,749,382	57.20%
	At the end of the year				235,749,382	57.20%
2	Hinduja Power Limited					
	At the beginning of the year		70,000,000	18.48%	70,000,000	18.48%
	Changes during the year	23-Sep-16	(70,000,000)	-18.48%	-	0.00%
	At the end of the year				-	0.00%
3	Hinduja Ventures Limited*					
	At the beginning of the year		19,888,890	5.25%	19,888,890	5.25%
	Changes during the year	28-Dec-16	1,668,802	0.44%	21,557,692	5.23%
	At the end of the year				21,557,692	5.23%
4	Aasia Corporation LLP*					
	At the beginning of the year		13,111,110	3.46%	13,111,110	3.46%
	Changes during the year	28-Dec-16	1,100,104	0.29%	14,211,214	3.45%
	At the end of the year				14,211,214	3.45%

Note : Promoter group*

(iv) Shareholding Pattern of top ten Shareholders

<i>(Other than Directors, Promoters and Holders of GDRs and ADRs):</i>							
S. No.	For each of the Top 10 shareholders	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	IndusInd International Holdings Limited						
	At the beginning of the year			4,500,000	1.19%	4,500,000	1.19%
	Changes during the year	Transfer	23-Sep-16	70,000,000	18.48%	74,500,000	19.67%
2	At the end of the year	Rights Issue	28-Dec-16	6,251,012	1.52%	80,751,012	19.59%
	Everfin Holdings						
	At the beginning of the year			53,217,619	14.05%	53,217,619	14.05%
3	Changes during the year	Rights Issue	28-Dec-16	4,434,802	1.08%	57,652,421	13.99%
	At the end of the year					57,652,421	13.99%
	Sachin Pillai						
4	At the beginning of the year			40,000	0.01%	40,000	0.01%
	Changes during the year	ESOP Allotment	18-Oct-16	40,000	0.01%	80,000	0.02%
	At the end of the year					80,000	0.02%
5	Vijayakumar G						
	At the beginning of the year			20,000	0.01%	20,000	0.01%
	Changes during the year	ESOP Allotment	18-Oct-16	20,000	0.00%	40,000	0.01%
6	At the end of the year					40,000	0.01%
	Srikanth Mannepalli						
	At the beginning of the year			15,000	0.00%	15,000	0.00%
7	Changes during the year	ESOP Allotment	18-Oct-16	15,000	0.00%	30,000	0.01%
	At the end of the year			30,000	0.01%	30,000	0.01%
	Pramod Kumar						
8	At the beginning of the year			-	-	-	0.00%
	Changes during the year	ESOP Allotment	18-Oct-16	30,000	0.01%	30,000	0.01%
	At the end of the year					30,000	0.01%
9	Rohit Sharma						
	At the beginning of the year			10,000	0.00%	10,000	0.00%
	Changes during the year	ESOP Allotment	18-Oct-16	10,000	0.00%	20,000	0.01%
10	At the end of the year			20,000	0.01%	20,000	0.00%

(iv) Shareholding Pattern of top ten Shareholders

S. No	For each of the Top 10 shareholders	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Sujit Prabhakar Akare						
	At the beginning of the year			-	-	-	0.00%
	Changes during the year	ESOP Allotment	18-Oct-16	10,000	0.00%	10,000	0.00%
	At the end of the year					10,000	0.00%
9	Dikshit Mukherjee						
	At the beginning of the year	NA	NA	10,000	0.00%	10,000	0.00%
	Changes during the year			-	0.00%	10,000	0.01%
	At the end of the year					10,000	0.01%
10	D. C. Jain						
	At the beginning of the year	NA	18-Oct-16	2,000	0.00%	2,000	0.00%
	Changes during the year	ESOP Allotment		-	0.00%	4,000	0.01%
	At the end of the year					4,000	0.01%
11	Ashok Kumar Choudhary						
	At the beginning of the year	NA	18-Oct-16	-	0.00%	-	0.00%
	Changes during the year	ESOP Allotment		4,000	0.00%	4,000	0.01%
	At the end of the year					4,000	0.01%

(v) Shareholding of Directors and Key Managerial Personnel

S. No	For Each of the Directors and KMP	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. S. Nagarajan, Whole-time Director						
	At the beginning of the year			400,040	0.11%	400,040	0.11%
	Changes during the year	ESOP Allotment	18-Oct-16	1,600,000	0.42%	2,000,040	0.53%
	At the end of the year			2,000,040	0.53%	2,000,040	0.49%
	Other KMPs						
1	Mr. Sachin Pillai						
	At the beginning of the year						
	Changes during the year	ESOP Allotment	18-Oct-16	40,000	0.01%	40,000	0.01%
	At the end of the year			40,000	0.01%	80,000	0.02%
2	Mr. G. Vijayakumar, Chief Financial Officer						
	At the beginning of the year			20,000	0.01%	20,000	0.01%
	Changes during the year	ESOP Allotment	18-Oct-16	20,000	0.01%	20,000	0.01%
	At the end of the year			40,000	0.01%	40,000	0.01%
3	Mr. S. Ramasamy*, Company Secretary						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
4	Ms. J. Meenakshi, Company Secretary **						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

* Ceased to be the Company Secretary and Compliance Officer w.e.f August 31, 2016

** Appointed as Company Secretary and Compliance Officer w.e.f November 10, 2016

V. INDEBTEDNESS

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

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	684,619.58	50,500.00	-	735,119.58
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10,575.57	3,356.49	-	13,932.06
Total (i+ii+iii)	695,195.15	53,856.49	-	749,051.64
Change in Indebtedness during the financial year				
* Addition	382,500.00	18,000.00	-	400,500.00
* Reduction	192,799.16	-	-	192,799.16
Net Change	189,700.84	18,000.00	-	207,700.84
Indebtedness at the end of the financial year				
i) Principal Amount	874,320.42	68,500.00	-	942,820.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	16,277.49	4,883.39	-	21,160.88
Total (i+ii+iii)	890,597.91	73,383.39	-	963,981.30

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 Lacs)
	Name	S.Nagarajan	
	Designation	Executive Vice Chairman	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	276.00	276.00
	(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	90.00	90.00
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify		-
	Total (A)	366.00	366.00
	Ceiling as per the Act		1283.80

B. Remuneration to other directors:

S.No.	Particulars of Remuneration	Name of Directors						Total Amount (₹ in Lacs)
		R. Sundararaman	R.S. Sharma	Debabrata Sarkar	Bhumika Batra	Samir Bhatia	Andreas H Biagosch	
1	Independent Director							
	(a) Fee for attending committee meeting	8.80	7.80	9.90	8.80	7.80	2.00	45.10
	(b) Commission							
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (1)	8.80	7.80	9.90	8.80	7.80	1.00	45.10

B. Remuneration to other directors:

S.No.	Particulars of Remuneration	Name of Directors			Total Amount (₹ in Lacs)
		Dheeraj G Hindjua	Gopal Mahadevan	Sudhanshu Tripathi	
2	Other Non-Executive Directors				
	(a) Fee for attending board committee meeting	7.30	9.60	8.30	25.20
	(b) Commission	-	-	-	-
	(c) Others, please specify				
	Total (2)	7.30	9.60	8.30	25.20
	Total Managerial Remuneration (1) + (2)				70.30
	Overall ceiling as per the Act				256.76

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

S.No.	Particulars of Remuneration	Name Designation	Name of Key Managerial Personnel				Total Amount (₹ /Lac)
			Sachin Pillai	G.Vijayakumar	S.Ramasamy *	J Meenakshi **	
			CEO	CFO	CS	CS	
	Gross salary						
1	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	190.00	46.19	2.41	13.17	251.77	
	(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	-	-	-	-	-	
3	Sweat Equity						
4	Commission						
	- as % of profit						
	- others, specify						
5	Others, please specify						
	Total	190.00	46.19	2.41	13.17	251.77	

* Salary for the period from April 1, 2016 to August 31, 2016

** Salary for the period from November 10, 2016 to March 31, 2017

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 during the year ended 31st March, 2017. However, subsequent to the financial year ended 31st March, 2017, a penalty of Rs.5 lakhs has been imposed on the Company by RBI vide its Order dated 11th April, 2017.

Annexure F

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 upto 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 upto 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 : 23rd May, 2017

Dheeraj G Hinduja
Chairman

Annexure G

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

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 Ms. Bhumika Batra - Member
3.	Average net profit of the company for last three financial years	₹ 17,095 Lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 341.90 Lakhs
5.	Details of CSR spent during the financial year:	
	a) Total amount to be spent for the financial year 2016-17	₹ 341.90 Lakhs
	b) Amount unspent, if any	₹ 231.90 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 the project is covered	Projects or Programs 1) local area or other 2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs-wise.	Amount Spent on the Projects or Programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure Up to the Reporting Period	Amount Spent direct Or through Agency (with details of implementing agency
1	Kochi Muziris Biennale 2016, an exhibition of contemporary art / modern art	Protection of national heritage, art and culture; promotion of education and employment	Fort Kochi	₹ 27 Crores (Estimated outlay)	₹ 10 Lakhs	₹ 10 Lakhs	Kochi Biennale Foundation, Direct
2	Making available safe drinking water / maintaining quality of water and any other appropriate activity in line with the priorities of the Foundation	Rural Water Scarcity Alleviation Project	Jawhar Taluka, Paighar District, North Maharashtra	₹ 1.12 crores (Estimated outlay)	₹ 100 Lakhs	₹ 100 Lakhs	HinduJa Foundation, Implementing Agency for the CSR project. Foundation is a NGO associated with a number of philanthropic activities and eligible to receive CSR contributions as per the Act.
	Total				₹ 110 Lakhs	₹ 110 Lakhs	



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 2016-17, the Company has spent Rs.110 lakhs as against the required sum of Rs.341.90 Lakhs. The Company would be meeting its CSR obligations during FY 2017-18 including the amount unspent to the tune of Rs.231.90 lakhs in line with the progress of the relevant 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
Date : 23rd May, 2017

S. Nagarajan
*Executive Vice Chairman
& Whole-time Director*

Dheeraj G Hinduja
Chairman

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of Hinduja Leyland Finance Limited (the "Company"), which comprise the balance sheet as at March 31, 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and

matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 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 March 31, 2017 and its profit and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order.

Further to our comments in the annexure referred to above, and 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 purpose 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 the books of account;
- (c) The balance sheet, statement of profit and loss, and cash flow statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- (e) On the basis of written representations received from the directors as at March 31, 2017, and taken on record by the board of directors, we report that none of the directors is disqualified as at March 31, 2017, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to other matters to be included in the Auditor's 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 on its financial position in its standalone financial statements – Refer Note 33 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 - Refer Note 24 to the standalone financial statements.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 37 to the standalone financial statements.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's registration number: 101248W/ W-100022

Ashish Gupta
Partner
Membership No. 215165

Place : Chennai
Date : 23rd May, 2017

- 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 program some of the fixed assets were verified during the year and 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 loans, 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 a 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 not undertaken any transaction in respect of loan, guarantees and security covered under Section 185 of the Act. 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, service tax, value added tax, and any

other 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 and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, value

added tax, any other statutory dues were in arrears as at March 31, 2017 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)	Period to which amount relates	Forum where dispute is pending
Rajasthan VAT Act, 2003	Value added tax	4,057,397	2011-12 to 2014-15	Appellate Authority
Odisha Value Added Tax Act, 2004	Value added tax	38,500	April 2012 to March 2013	Additional Commissioner of Commercial Taxes (Appeal), South Zone, Berhampur
Andhra Pradesh Value Added Tax Act, 2005	Value added tax	1,755,227	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. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). However the Company has raised term loans during the year. In our opinion and according to the information and explanations given to us, the 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 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 10.98 lakhs which were identified by the management and reported to Reserve Bank of India. As at March 31, 2017, 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. 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. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and on the basis of 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 information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanation 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's registration number: 101248W/ W-100022

Ashish Gupta

Partner

Membership No. 215165

Place : Chennai

Date : 23rd May, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Hinduja Leyland Finance Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both

issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions

and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's registration number: 101248W/ W-100022

Ashish Gupta

Partner

Membership No. 215165

Place : Chennai

Date : 23rd May, 2017


BALANCE SHEET
 As at 31 March 2017

	Note	31 Mar 2017	INR In Lakhs 31 Mar 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	41,215.59	37,871.86
Reserves and surplus	4	107,802.48	69,011.09
		149,018.07	106,882.95
Non-Current Liabilities			
Long-term borrowings	5	610,953.80	516,701.97
Other long term liabilities	6	4,488.17	2,744.15
Long-term provisions	7	5,435.32	3,915.21
		620,877.29	523,361.33
Current Liabilities			
Short-term borrowings	8	36,406.45	59,344.65
Trade payables			
- Dues to others	9	-	-
- Dues to micro and small enterprises	9	190.53	324.80
Other current liabilities	10	335,869.64	181,227.80
Short-term provisions	7	14,247.56	5,954.08
		386,714.18	246,851.33
TOTAL		1,156,609.54	877,095.61
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible assets	11	4,605.89	4,088.31
- Intangible assets	12	51.20	53.41
- Capital work-in-progress		108.87	207.63
		4,765.96	4,349.35
Non-current investments	13	65,306.73	13,162.15
Deferred tax asset (net)	14	6,010.80	3,398.78
Long-term loans and advances	15	625,105.58	533,990.02
Other non-current assets	16	2,719.57	11,749.00
		703,908.64	566,649.30
Current Assets			
Current investments	17	21,898.52	26,411.31
Cash and bank balances	18	6,565.69	8,863.19
Short-term loans and advances	19	402,941.36	256,246.80
Other current assets	20	21,295.33	18,925.01
		452,700.90	310,446.31
TOTAL		1,156,609.54	877,095.61
Significant accounting policies	2		

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

ICAI Firm's registration number: 101248W/ W-100022

Ashish Gupta

Partner

Membership No: 215165

Place : Chennai

Date : 23rd May, 2017

For and on behalf of the Board of Directors of

Hinduja Leyland Finance Limited

Dheeraj G Hinduja

Chairman

DIN No : 00133410

G Vijayakumar

Chief Financial Officer

Place : Chennai

Date : 23rd May, 2017

S Nagarajan

Executive Vice Chairman

DIN No : 00009236

J Meenakshi

Company Secretary

STATEMENT OF PROFIT AND LOSS
For the year ended 31 March 2017

		INR In Lakhs	
	Note	31 Mar 2017	31 Mar 2016
Revenue			
Revenue from operations	21	148,631.27	114,569.34
Total revenue		148,631.27	114,569.34
Expenses			
Employee benefits	22	6,042.22	4,821.06
Finance cost	23	83,366.69	62,447.24
Depreciation and amortisation	11 and 12	581.65	560.13
Provisions and write off	24	20,657.37	15,311.19
Other expenses	25	11,997.35	8,971.68
Total expenses		122,645.28	92,111.30
Profit before exceptional items and tax		25,985.99	22,458.04
Exceptional items	26	310.00	-
Profit before tax		25,675.99	22,458.04
Tax expense:			
- Current tax		11,535.19	8,754.86
- Deferred tax		(2,612.02)	(1,299.09)
Profit after tax		16,752.82	15,002.27
Earnings per equity share of ₹ 10 each	27		
-Basic (in Rupees)		4.32	3.96
-Diluted (in Rupees)		4.31	3.96
Significant accounting policies	2		

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

ICAI Firm's registration number: 101248W/ W-100022

Ashish Gupta

Partner

Membership No: 215165

Place : Chennai

Date : 23rd May, 2017

For and on behalf of the Board of Directors of

Hinduja Leyland Finance Limited

Dheeraj G Hinduja

Chairman

DIN No : 00133410

G Vijayakumar

Chief Financial Officer

Place : Chennai

Date : 23rd May, 2017

S Nagarajan

Executive Vice Chairman

DIN No : 00009236

J Meenakshi

Company Secretary

CASH FLOW STATEMENT
For the year ended 31 March 2017

		INR In Lakhs	
	Note	31 Mar 2017	31 Mar 2016
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax		25,675.99	22,458.04
Adjustments:			
Depreciation and amortisation		581.65	560.13
Loss on repossessed contracts		10,593.76	10,585.06
Contingency provision on standard assets		1,197.35	899.62
Provision for non-performing assets		8,564.15	2,564.05
Bad debts written off		302.11	1,262.46
Share based payment expense		137.67	99.01
Fixed assets written off		0.34	-
Discount on commercial papers		2,728.56	2,583.95
OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES		49,781.58	41,012.32
Adjustments:			
(Increase) in loan to customers (excluding repossessed assets)		(227,618.99)	(257,576.37)
(Increase) in repossessed assets		(10,966.62)	(11,387.93)
(Increase) in loans and advances		(13,848.03)	(20,950.12)
Increase in current, non-current liabilities and provisions		19,916.54	9,082.92
Cash (used in) operations		(182,735.53)	(239,819.18)
Taxes paid (net)		(10,177.93)	(9,659.41)
NET CASH (used in) OPERATING ACTIVITIES (A)		(192,913.45)	(249,478.59)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Investment in pass through securities (net)		1,819.05	(392.72)
Investment in funds		(10,000.00)	-
Investment in redeemable non-convertible debentures (net)		(31,950.84)	5,232.90
Investment in equity shares of subsidiary company		(7,500.00)	(1,500.00)
Bank deposits (having original maturity of more than three months)		5,057.71	(699.39)
Purchase of fixed assets (tangible and intangible assets) including capital work-in-progress and capital advances		(998.60)	(1,406.20)
NET CASH FROM INVESTING ACTIVITIES (B)		(43,572.68)	1,234.59

CASH FLOW STATEMENT
For the year ended 31 March 2017

	Note	31 Mar 2017	31 Mar 2016
INR In Lakhs			
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares including securities premium (net)		25,244.63	68.28
Proceeds from borrowings		400,500.00	408,000.00
Repayments of borrowings		(169,860.96)	(152,483.64)
Proceeds from working capital loan / cash credit and commercial paper (net)		(25,666.76)	(5,677.73)
NET CASH FROM FINANCING ACTIVITIES (C)		230,216.91	249,906.91
Net increase in cash and cash equivalents (A+B+C)		(6,269.22)	1,662.91
Cash and Cash Equivalents at the beginning of the year		8,863.19	7,200.28
Cash and Cash Equivalents at the end of the year		2,593.97	8,863.19
Components of cash and cash equivalents	18		
Cash and cheques on hand		1,480.27	4,233.89
Balances with banks			
-in current accounts		1,113.70	4,629.30
		2,593.97	8,863.19
Significant accounting policies	2		

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

ICAI Firm's registration number: 101248W/ W-100022

Ashish Gupta

Partner

Membership No: 215165

Place : Chennai

Date : 23rd May, 2017

For and on behalf of the Board of Directors of

Hinduja Leyland Finance Limited

Dheeraj G Hinduja

Chairman

DIN No : 00133410

G Vijayakumar

Chief Financial Officer

Place : Chennai

Date : 23rd May, 2017

S Nagarajan

Executive Vice Chairman

DIN No : 00009236

J Meenakshi

Company Secretary

1 Company overview

Hinduja Leyland Finance Limited (the Company), incorporated 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

2 Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared and presented under the historical cost convention using the accrual basis of accounting in accordance with the accounting principles generally accepted in India (“Indian GAAP”), the requirements of the Companies Act 2013, including the Accounting Standards as prescribed by Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and conform to the statutory requirements, circulars and guidelines issued by the Reserve Bank of India (‘RBI’) from time to time to the extent they have an impact on the financial statements and current practices prevailing in India.

The financial statements are presented in Indian rupees rounded off to the nearest lakh upto two decimal places.

All assets and liabilities have been classified into current or non-current as per the normal operating cycle of the Company and other criteria as set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (‘GAAP’) requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Loan to customers

Loan to customers include assets given on finance / loan and amounts paid for acquiring financial assets from other Banks / NBFCs.

Loan to customers represents amounts receivable under finance / loan agreements and are valued at net investment amount including installments due and is net of amounts securitised / assigned and includes advances under such agreements.

2.4 Revenue recognition

- a) Interest / finance income from loans to customers included in revenue from operations represents interest income arrived at based on internal rate of return method. Interest income is recognised as it accrues on a time proportion basis taking into account the amount outstanding and the rate applicable, except in the case of non-performing assets (NPA) where it is recognised upon realization as per RBI guidelines.

b) Income on securitisation / assignment

In respect of transfer of financial assets by way of securitisation or assignment, the said assets are de-recognized upon contractual transfer thereof, and transfer of substantial risks and rewards to the purchaser. The gain arising on transfer of financial assets by way of securitisation or assignment, if received in cash, is amortised over the tenure of the related financial assets, and if received by way of excess interest spread, is recognised based on accrual basis. Loss on sale, if any, is charged to statement of profit and loss immediately at the time of sale.

c) Upfront service charges / processing fee pertaining to loan origination is amortised over the tenure of the loan.

d) Interest on fixed deposits, pass-through securities and debentures is recognised on an accrual basis.

e) Income from other services is recognized on accrual basis

2.5 Provisioning for non-performing assets and doubtful debts

Loans, advances and receivables are identified as bad / doubtful based on the duration of the delinquency. Provisions for such non-performing assets and doubtful debts are made based on the management's assessment of the degree of impairment and the level of provisioning meets the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended by Reserve Bank of India from time to time for the period ('Framework'). These provisioning norms are considered the minimum and additional provision is made based on perceived credit risk where necessary.

All contracts which as per the management are not likely to be recovered are considered as loss assets and written off as bad debts. Recoveries made from written off contracts are included in 'other operating income'.

2.6 Provisions for standard assets

Provisions for standard assets are made as per the Prudential norms as applicable from time to time. Such provision is disclosed as 'contingency provision on standard assets' under the financial statement caption 'provisions'.

2.7 Fixed assets, intangible assets and capital work-in-progress

Fixed assets are carried at cost less accumulated depreciation. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses incurred in relation to the acquisition and installation of the respective assets.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as long term loans and advances. The cost of fixed assets not ready for their intended use at each balance sheet date is disclosed as capital work-in-progress.

Intangible assets are recorded at the consideration paid for acquisition / development and licensing less accumulated amortisation.

2.8 Depreciation and amortisation

Depreciation on fixed assets is provided using the straight line method over the estimated useful life of each asset as determined by the management. The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 are generally adhered to, except in respect of asset classes where, based on technical evaluation, a different estimate of useful life is considered suitable.

Pursuant to this policy, the useful life of asset is estimated at :

Assets Description	Useful life
Building	20 years
Furniture and Fittings	8 years
Vehicles	5 years
Office equipment	5 years
Servers and computers (included in office equipment)	3 -5 years
Leasehold improvements	Primary lease period or three years whichever is earlier.

Assets individually costing less than or equal to Rs. 5000/- are fully depreciated in the year of acquisition. The Company has estimated a Nil residual value at the end of the useful life for all block of assets.

Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Intangible assets are amortised over their estimated useful lives, not exceeding five years, on a straight-line basis, commencing from the date the asset is available to the Company for its use.

2.9 Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

2.10 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments".

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each investment.

Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

2.11 Repossessed assets

Repossessed assets are valued at lower of amounts due from the customer or net realisable value

2.12 Employee benefits

a) Provident fund

Contributions paid / payable to the recognised provident fund, which is a defined contribution scheme, are charged to the statement of profit and loss.

b) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

c) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

d) Employee stock option plan

The intrinsic value i.e. excess of fair value of shares, at the date of grant of options under the Employee Stock Option Plan of the Company, over the exercise price is regarded as employee compensation. This is recognised over the period which the employees would become unconditionally entitled to apply for the underlying shares.

2.13 Loan origination costs

Sourcing expenses, brokerage, commission, service provider fee, incentives etc. paid for loan origination are charged to expense over the tenure of the loan and included under other expenses Sourcing expenses / Service provider fees.

2.14 Provision

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. is recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

2.15 Income taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in statement profit or loss.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.16 Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.17 Transactions in foreign currencies

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

2.18 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the company in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition and construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.19 Operating leases

Lease payments for assets taken on an operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

2.20 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit after tax attributable to the equity shareholders for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

In computing diluted earnings per share, only potential equity shares that are dilutive and that reduce profit / loss per share are included.

2.21 Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.22 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.23 Segment reporting

The Company is engaged in the business of financing and related activities. Further, the Company does not have any separate geographic segments other than India. There are no separate reportable segments as per AS 17 - Segment Reporting.

INR In Lakhs

	31 Mar 2017	31 Mar 2016
3 SHARE CAPITAL		
Authorised		
622,907,700 (Previous year: 622,907,700) equity shares of ₹ 10/- each	62,290.77	62,290.77
Issued, subscribed and paid up Equity share capital:	62,290.77	62,290.77
412,155,921 (Previous year: 378,718,619) equity shares of ₹ 10/- each	41,215.59	37,871.86
	41,215.59	37,871.86

a) **Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:**

	As at 31 Mar 2017		As at 31 Mar 2016	
	No	Amount	No	Amount
Equity shares				
Outstanding at the beginning of the year	378,718,619	37,871.86	378,217,619	37,821.76
Issued during the year	33,437,302	3,343.73	501,000	50.10
Outstanding at the end of the year	412,155,921	41,215.59	378,718,619	37,871.86

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

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

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

	As at 31 Mar 2017		As at 31 Mar 2016	
	No.	% holding	No.	% holding
Equity shares				
Ashok Leyland Limited; holding company	235,749,382	57.20%	217,499,800	57.43%

INR In Lakhs

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

Equity shares	As at 31 Mar 2017		As at 31 Mar 2016	
	No.	% holding in class	No.	% holding in class
Ashok Leyland Limited; holding company	235,749,382	57.20%	217,499,800	57.43%
IndusInd International Holdings Limited	80,751,012	19.59%	4,500,000	1.19%
Everfin Holdings	57,652,421	13.99%	53,217,619	14.05%
Hinduja Ventures Limited	21,557,692	5.23%	19,888,890	5.25%
Hinduja Power Limited	-	-	70,000,000	18.48%

e) Shares reserved for issue under employee stock option plan

	As at 31 Mar 2017		As at 31 Mar 2016	
	No.	Amount	No.	Amount
Under Employee stock option scheme, 2013, at an exercise price as determined by the Nomination and Remuneration Committee	19,906,191	1,990.62	19,906,191	1,990.62

Note: The terms attached to stock options granted to employees are described in note 29 regarding employee stock option.

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 2017, 2,234,000 (Previous year - 501,000) equity shares issued under employee stock option plan for which only exercise price has been received in cash.

4 RESERVES AND SURPLUS	INR In Lakhs	
	As at 31 Mar 2017	As at 31 Mar 2016
I. Securities premium account		
At the beginning of the year	14,466.21	14,376.03
Add : Premium received on equity shares	21,900.90	18.18
Add : Transferred from employee stock option outstanding account	287.00	72.00
At the end of the year	36,654.11	14,466.21
II. Employee stock option outstanding account		
At the beginning of the year	200.81	173.80
Add : Share based payment expense for the year	137.67	99.01
Less : Transferred to securities premium account on exercise of stock options	(287.00)	(72.00)
At the end of the year	51.48	200.81
III. Statutory Reserve		
(As per Section 45-IC of Reserve Bank of India Act, 1934)		
At the beginning of the year	10,910.98	7,900.53
Add : Amount transferred from surplus in statement of profit and loss	3,350.56	3,010.45
At the end of the year	14,261.54	10,910.98
IV. Surplus in statement of profit and loss		
At the beginning of the year	43,433.09	31,441.27
Add : Profit for the year	16,752.82	15,002.27
Less : Transfer to statutory reserve	(3,350.56)	(3,010.45)
Net surplus in the statement of profit and loss	56,835.35	43,433.09
Total reserves and surplus	107,802.48	69,011.09

5 LONG-TERM BORROWINGS

	Non-current portion		Current portion*	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
UNSECURED				
6,850 (Previous year: 5,050)				
Subordinated redeemable non-convertible debentures	68,500.00	50,500.00	-	-
SECURED				
25,300 (Previous year: 18,200)				
Redeemable non-convertible debentures	198,500.00	200,000.00	72,500.00	-
Term loans from banks	343,933.04	266,143.33	222,920.43	159,027.63
Vehicle loan	20.76	58.64	39.67	45.33
	610,953.80	516,701.97	295,460.10	159,072.96

* included in other current liabilities (refer note 10)

5.1 DETAILS RELATING TO TERM LOANS

INR In Lakhs

Repayment terms	Remaining installments		Total amount repayable	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Monthly	36	72	4,957.39	10,798.71
Quarterly	276	196	320,397.23	194,271.86
Half-yearly	31	54	224,832.19	207,467.06
Annual	5	4	16,666.66	12,633.33
			566,853.47	425,170.96

- The term loans from banks carry interest rates ranging from "Marginal Cost of Funds based Lending Rate (MCLR) of the respective bank" to "MCLR of the respective bank + 1.30% per annum" and the loan period ranges from 3 to 5 years. As at 31 March 2017, the rate of interest across the loans was in the range of 8.40% p.a to 10.80% p.a.
- Vehicle loans amounting to INR 60.43 (Previous period : INR 103.97) are repayable in monthly instalments over a period of 4 years.

5.2 Details relating to subordinated debentures

6,850 (Previous period : 5,050) debentures were issued with a face value of Rs. 1,000,000/-. These debentures carry interest rates ranging from 11.10% p.a. to 12.40% p.a. and the redemption period is 5 to 7 years.

5.3 Details relating to redeemable non-convertible debentures

Out of 25,300 (Previous period: 18,200) debentures,

- 1,200 (Previous year : 1,200) debentures were issued with a face value of Rs. 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.
- 14,600 (Previous year: 9,500) debentures were issued with a face value of Rs. 1,000,000/-. As at 31 March 2017, these debentures carry interest rates ranging from 8.85% p.a. to 10.70% p.a. and the redemption period is 3 to 5 years from the date of allotment.
- 9,500 (Previous year: 7,500) debentures were issued with a face value of Rs. 1,000,000/-. These debentures carry interest rates ranging from "Base rate of State Bank of India + 0.05%" to "Base rate of State Bank of India + 0.35%" and the redemption period is 3 years from the date of allotment. As at 31 March 2017, the rate of interest was in the range of 9.35% p.a to 9.48% p.a.

The aforesaid debentures are listed at Bombay Stock Exchange.

5.4 Nature of security

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

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.

6 OTHER LONG-TERM LIABILITIES

From related parties

Security deposits from Hinduja Housing Finance Limited
(Subsidiary Company)

Others

Income received in advance

	31 Mar 2017	31 Mar 2016
	162.00	-
	4,326.17	2,744.15
	4,488.17	2,744.15

INR In Lakhs

	Long-term		Short-term	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
7 PROVISIONS				
Contingency provision on standard assets *	2,265.78	1,611.27	1,151.13	608.29
Provision for non-performing assets *	2,997.15	2,171.46	13,023.35	5,284.89
Provision for employee benefits				
- Gratuity (also refer note 30)	-	-	48.36	31.46
- Compensated absence	172.39	132.48	24.72	29.44
	5,435.32	3,915.21	14,247.56	5,954.08

* refer note 31 for movement in provisions

	INR In Lakhs	
	31 Mar 2017	31 Mar 2016
8 SHORT-TERM BORROWINGS SECURED		
Cash credit and working capital demand loans from banks	36,406.45	59,344.65
	36,406.45	59,344.65

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 + 0.25% per annum" to "MCLR of the respective bank + 1.30% per annum". As at 31 March 2017, the rate of interest across the loans was in the range of 8.40% p.a to 10.75% p.a.

	INR In Lakhs	
	31 Mar 2017	31 Mar 2016
9 TRADE PAYABLES		
- Dues to micro enterprises and small enterprises	-	-
- Dues to creditors other than micro enterprises and small enterprises	190.53	324.80
	190.53	324.80

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 02, 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.

	INR In Lakhs	
	31 Mar 2017	31 Mar 2016
10 OTHER CURRENT LIABILITIES		
Current maturities of long term borrowings (refer note 5)	295,460.10	159,072.96
Interest accrued but not due on borrowings	21,160.88	13,932.06
Security deposits	-	4.53
Income received in advance	2,824.05	2,380.27
Dues to		
Assignees towards collections in assigned assets	15,042.55	5,062.60
Employees	442.86	353.76
Statutory authorities	933.61	323.62
Others	5.59	98.00
	335,869.64	181,227.80

INR In Lakhs

Particulars	Freehold land	Building	Leasehold improvements	Furniture and fittings	Vehicles	Office equipment	Total
Gross Block							
At 1 April 2015	1,565.55	861.44	147.78	600.03	434.02	833.41	4,442.23
Additions	500.60	91.01	75.73	32.10	196.72	300.39	1,196.55
Deletions	-	-	-	-	-	0.70	0.70
At 31 March 2016	2,066.15	952.45	223.51	632.13	630.74	1,133.10	5,638.08
Additions	-	509.16	41.23	51.58	257.33	219.64	1,078.94
Deletions	-	-	-	-	-	0.34	0.34
At 31 March 2017	2,066.15	1,461.61	264.74	683.71	888.07	1,352.40	6,716.68
Accumulated Depreciation							
At 1 April 2015	-	71.51	111.07	202.12	128.61	494.18	1,007.49
Charge for the year	-	45.58	32.04	130.11	114.21	220.89	542.83
Deletions	-	-	-	-	-	0.55	0.55
At 31 March 2016	-	117.09	143.11	332.23	242.82	714.52	1,549.77
Charge for the year	-	48.60	81.98	68.13	133.99	228.32	561.02
Deletions	-	-	-	-	-	-	-
At 31 March 2017	-	165.69	225.09	400.36	376.81	942.84	2,110.79
Net Block at 31 March 2016	2,066.15	835.36	80.40	299.90	387.92	418.58	4,088.31
Net Block at 31 March 2017	2,066.15	1,295.92	39.65	283.35	511.26	409.56	4,605.89

12 INTANGIBLE ASSETS		INR In Lakhs	
	Particulars	Software	Total
Gross Block			
At 1 April 2015		78.71	78.71
Additions		30.39	30.39
Deletions		-	-
At 31 March 2016		109.10	109.10
Additions		18.42	18.42
Deletions		-	-
At 31 March 2017		127.52	127.52
Accumulated Amortisation			
At 1 April 2015		38.39	38.39
Charge for the year		17.30	17.30
Deletions		-	-
At 31 March 2016		55.69	55.69
Charge for the year		20.63	20.63
Deletions		-	-
At 31 March 2017		76.32	76.32
Net Block at 31 March 2016		53.41	53.41
Net Block at 31 March 2017		51.20	51.20

	31 Mar 2017	INR In Lakhs 31 Mar 2016
13 NON CURRENT INVESTMENTS		
(valued at cost, unless stated otherwise)		
Unquoted investments		
Trade investments, unquoted:		
Hinduja Housing Finance Limited, a subsidiary (90,000,000 (31 March 2016 : 15,000,000) equity shares of Rs.10/- each, fully paid up)	9,000.00	1,500.00
HLF Services Limited, an associate (22,950 (31 March 2016 : 22,950) equity shares of Rs.10/- each, fully paid up)	2.30	2.30
Investments in pass-through securities (refer note 28)	4,390.11	7,318.18
Investments in funds (refer note 28)	10,000.00	-
Trade investments, quoted:		
Investments in debentures(redeemable ; non convertible) (refer note 28)	41,914.32	4,341.67
	65,306.73	13,162.15
Aggregate amount of quoted investments and market value (non-current):		
(i) Aggregate book value	41,914.32	4,341.67
(ii) Aggregate market value	41,914.32	4,341.67
Aggregate book value of unquoted investments (non-current)	23,392.41	8,820.48
14 DEFERRED TAX ASSET (net)	31 Mar 2017	31 Mar 2016
Deferred tax asset		
Contingency provision against standard assets	1,182.52	768.15
Provision against non-performing assets	4,748.31	2,580.49
Provision for employee benefits	84.95	66.92
	6,015.78	3,415.56
Deferred tax liability		
Excess of depreciation / amortisation on fixed assets under income tax law over depreciation / amortisation as per books	4.98	16.78
	4.98	16.78
Net deferred tax asset	6,010.80	3,398.78

INR In Lakhs

15 LONG-TERM LOANS AND ADVANCES

	Non-current portion		Current portion*	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Loan to customers (Considered good unless otherwise stated)				
Secured, considered good	606,030.30	516,459.81	297,783.72	194,861.57
Secured, considered doubtful	7,277.57	8,910.89	46,961.07	22,602.84
Unsecured, considered good	-	-	10,099.47	115.39
Unsecured, considered doubtful	3,882.09	1,226.90	1,530.47	2,070.41
Others				
Unsecured, considered good				
Prepaid expenses	7,145.44	4,711.88	6,333.75	3,993.98
Security deposits	421.44	325.48	676.85	215.52
Accrued income on assigned contracts	-	649.06	694.06	-
Advance tax (net of provision for tax)	348.74	1,706.00	-	-
	625,105.58	533,990.02	364,079.39	223,859.71

* See note 19

16 OTHER NON CURRENT ASSETS

	31 Mar 2017	31 Mar 2016
Bank deposits held as security (refer note 18) (Cash collateral towards securitisation)	2,703.42	11,632.58
Interest accrued on deposits placed as cash collateral	16.15	116.42
	2,719.57	11,749.00

	31 Mar 2017	INR In Lakhs 31 Mar 2016
17 CURRENT INVESTMENTS		
Current portion of long term investments		
Trade investments, unquoted:		
Investments in pass-through securities (refer note 28)	9,581.14	8,472.12
Trade investments, quoted:		
Investments in debentures(redeemable ; non convertible) (refer note 28)	12,317.38	17,939.19
	21,898.52	26,411.31
Aggregate amount of quoted current investments and market value:		
(i) Aggregate book value	12,317.38	17,939.19
(ii) Aggregate market value	12,317.38	17,939.19
Aggregate book value of unquoted current investments	9,581.14	8,472.12
Aggregate amount of quoted investments and market value (current and non-current):		
(i) Aggregate book value	54,231.70	22,280.86
(ii) Aggregate market value	54,231.70	22,280.86
Aggregate book value of unquoted investments (current and non-current)	32,973.55	17,292.60
18 CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash and cheques on hand	1,480.27	4,233.89
Balances with banks		
-In current accounts	1,113.70	4,629.30
-In deposit accounts (with original maturity of 3 Months or less)	-	-
Other bank balances	3,971.72	-
	6,565.69	8,863.19
Details of bank balances		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'cash and bank balances'	1,113.70	4,629.30
Bank deposits due to mature within 12 months from the reporting period included under 'other bank balances'	3,971.72	-
Bank deposits due to mature after 12 months from the reporting period included under 'other non current asset'	2,703.42	11,632.58

	31 Mar 2017	INR In Lakhs 31 Mar 2016
19 SHORT-TERM LOANS AND ADVANCES		
Loan to customers (Considered good unless otherwise stated)		
Secured, considered good *	297,783.72	194,861.57
Secured, considered doubtful *	46,961.07	22,602.84
Unsecured, considered good *	5,099.47	115.39
Unsecured, considered doubtful *	1,530.47	2,070.41
Dealer trade advances (Unsecured, considered good)	35,176.49	31,685.86
Unsecured considered good		
To parties other than related parties		
Prepaid expenses *	6,333.75	3,993.98
Accrued income on assigned contracts *	694.06	-
Balance with government authorities	496.95	86.49
Security deposits *	676.85	215.52
Advances to employees	111.18	97.42
Others	699.58	510.59
To related parties (Unsecured; Considered good)		
Dues from Ashok Leyland Limited (Holding Company)	-	6.73
Dues from Hinduja Energy (India) Limited (Fellow subsidiary)*	5,000.00	-
Dues from Gulf Ashley Motors Limited (Fellow subsidiary)	2,377.77	-
	402,941.36	256,246.80
*see note 15; represents current portion of long term loans and advances.		
20 OTHER CURRENT ASSETS		
To parties other than related parties		
<i>(Secured, considered good)</i>		
Repossessed assets	12,504.05	12,131.18
<i>(Unsecured, considered good)</i>		
Interest accrued on investments	781.01	106.56
Interest accrued on deposits placed as cash collateral	3.67	-
Others	2,365.07	3,177.85
To Unsecured, Considered good related parties		
Dues from Hinduja Housing Finance Limited (Subsidiary Company)	88.78	-
Dues from HLF Services Limited (Associate Company)	5,552.75	3,509.42
	21,295.33	18,925.01

	31 Mar 2017	INR In Lakhs 31 Mar 2016
21 REVENUE FROM OPERATIONS		
Interest / finance income		
- on loan to customers	131,492.62	97,777.33
- on fixed deposits	571.64	836.93
- on investment in pass through securities	1,680.63	965.27
- on investment in debentures	3,127.91	3,256.83
	136,872.80	102,836.36
Other operating income		
Service charges	2,377.26	2,530.45
Documentation charges	718.00	560.68
Other charges	3,722.41	3,092.69
Bad debts recovered	599.91	871.09
Income from other services	4,340.89	4,678.07
	148,631.27	114,569.34
22 EMPLOYEE BENEFITS		
Salaries, allowances and incentives	5,447.78	4,446.19
Share based payment expense	137.67	99.01
Contribution to provident and other funds	286.71	187.40
Staff welfare expenses	170.06	88.46
	6,042.22	4,821.06
23 FINANCE COST		
Interest on		
- Term loans	43,664.81	32,345.45
- Subordinated redeemable non-convertible debentures	7,536.29	4,353.08
- Redeemable non-convertible debentures	24,898.88	19,389.76
- Cash credit / working capital demand loans	3,950.18	3,343.53
Amortisation of discount on commercial papers	2,728.56	2,583.95
Other finance charges		
- Amortisation of processing fees	587.96	431.47
	83,366.69	62,447.24

	INR In Lakhs	
	31 Mar 2017	31 Mar 2016
24 PROVISIONS AND WRITE OFF		
Loss on repossessed contracts	10,593.76	10,585.06
Provision for non-performing assets and contingency provision against standard assets	9,761.50	3,463.67
Bad debts written off	302.11	1,262.46
	20,657.37	15,311.19
25 OTHER EXPENSES		
Service provider and sourcing expenses	5,866.46	4,039.59
Rent	709.72	652.80
Insurance	166.41	91.69
Electricity charges	161.76	129.79
Communication expenses	431.33	367.09
Documentation charges	313.87	324.27
Legal and professional charges *	1,529.64	734.92
Rates and taxes	110.00	70.12
Office maintenance	380.68	557.02
Bank charges	264.22	238.11
Printing and stationery	314.52	244.12
Travelling and conveyance	568.63	533.83
Meeting and conference expenses	103.66	53.23
Sitting fees to directors	79.07	27.10
Other expenses	997.38	908.00
	11,997.35	8,971.68
* includes payment to auditors		
As auditor:		
Statutory audit	20.00	20.00
Tax audit	1.00	1.00
Limited review of half yearly results	4.00	4.00
Consolidation	5.00	5.00
In other capacity:		
Certification	3.00	2.00
Other services	10.50	2.50
Reimbursement of expenses	4.14	1.63
	47.64	36.13

	INR In Lakhs	
	31 Mar 2017	31 Mar 2016
26 EXCEPTIONAL ITEMS		
Expenses incurred in relation to filings with SEBI	310.00	-
	310.00	-
The Company had incurred costs towards filing of its draft red herring prospectus with SEBI. The Company has charged off such costs to the statement of profit and loss account.		
27 EARNINGS PER SHARE		
Net profit for calculation of basic/ dilutive EPS	16,752.82	15,002.27
Equity shares (nominal value of INR 10/- each)		
Weighted average number of equity shares outstanding for calculation of basic EPS	387,786,769	378,528,698
Effect of dilutive potential equity shares		
Employee stock options	813,418	465,653
Weighted average number of equity shares outstanding for calculation of dilutive EPS	388,600,187	378,994,351
Earnings per Share (₹)		
- Basic	4.32	3.96
- Diluted	4.31	3.96

	Face value (In Lakhs)	As at 31 March 2017				As at 31 March 2016			
		Units	Non-current	Current	Total	Units	Non-current	Current	Total
28 DETAILS OF INVESTMENTS									
A. Debentures									
Belstar Investment and Finance Private Limited	10	400	2,666.67	1,333.33	4,000.00	-	-	-	-
Muthoot Microfin Limited	10	400	4,000.00	-	4,000.00	-	-	-	-
Suryoday Micro Finance Limited	10	400	4,000.00	-	4,000.00	160	600.00	600.00	600.00
Utkarsh Micro finance Limited	10	400	4,000.00	-	4,000.00	-	-	-	-
Asirvad Microfinance Private Limited	10	380	3,800.00	-	3,800.00	205	633.33	633.33	633.33
Annapura Microfinance Private Limited	10	460	3,500.00	137.50	3,637.50	260	1,112.50	1,250.00	1,250.00
Arohan Financial Services Private Limited	10	350	3,500.00	-	3,500.00	250	1,062.50	1,062.50	1,062.50
Five-Star Business Finance Limited	10	300	3,000.00	-	3,000.00	-	-	-	-
Sonata Finance Private Limited	10	300	3,000.00	-	3,000.00	265	941.67	941.67	941.67
Disha Microfin Limited	10	250	2,500.00	-	2,500.00	200	1,000.00	1,000.00	1,000.00
Satin Creditcare Network Limited	10	250	2,500.00	-	2,500.00	229	673.33	673.33	673.33
S.M.I.L.E. Microfinance Limited	10	250	1,291.67	1,000.00	2,291.67	-	-	-	-
ASA International India Microfinance Ltd.	10	200	1,500.00	500.00	2,000.00	-	-	-	-
Intrepid Finance And Leasing Private Limited	10	365	437.50	1,495.83	1,933.33	365	745.83	1,825.00	2,570.83
Zen Lefin Private Limited	10	250	604.17	1,250.00	1,854.17	-	-	-	-
Svasti Microfinance Private Limited	10	275	385.42	1,333.33	1,718.75	100	458.34	500.00	958.34
Pudhuaru Financial Services Private Limited	10	300	458.33	1,250.00	1,708.33	350	250.00	1,229.17	1,479.17
Pahal Financial Services Private Limited	10	300	301.81	1,225.73	1,527.54	350	708.33	1,750.00	2,458.33
Samasta Microfinance Private Limited	10	200	166.67	958.33	1,125.00	100	458.34	500.00	958.34
Lendingkart Finance Limited	10	125	302.08	625.00	927.08	-	-	-	-
Saija Finance Private Limited	10	320	-	858.33	858.33	320	858.33	1,600.00	2,458.33
Chaitanya India Fin Credit Private Limited	10	100	-	125.00	125.00	175	125.00	625.00	750.00
M Power Microfinance Private Limited	10	100	-	125.00	125.00	170	125.00	616.67	741.67

	As at 31 March 2017				As at 31 March 2016			INR In Lakhs		
	Face value (In Lakhs)	Units	Non-current	Current	Total	Units	Non-current		Current	Total
A. Debentures										
Fusion Microfinance Private Limited	10	80	-	100.00	100.00	308	100.00	1,071.67	1,171.67	
Grama Vidyal Micro Finance Limited	10	-	-	-	-	374	375.00	1,415.00	1,790.00	
Sahayog Microfinance Limited	10	-	-	-	-	54	-	90.00	90.00	
SV Credit Line Private Limited	10	-	-	-	-	140	-	525.00	525.00	
Annapurna Microfinance Private Limited	5	-	-	-	-	90	-	18.75	18.75	
Arohan Financial Services Private Limited	5	-	-	-	-	90	-	18.75	18.75	
Asirvad Microfinance Private Ltd	5	-	-	-	-	54	-	11.25	11.25	
Disha Microfin Private Ltd	5	-	-	-	-	80	-	16.67	16.67	
Future Financial Service Limited	5	-	-	-	-	90	-	18.75	18.75	
India School Finance Company Pvt. Ltd	5	-	-	-	-	62	-	12.92	12.92	
Pahal Financial Services Private Ltd	5	-	-	-	-	90	-	18.75	18.75	
Suryoday Microfinance Private Limited	5	-	-	-	-	108	-	22.50	22.50	
SV Credit Line Private Limited	5	-	-	-	-	81	-	16.88	16.88	
Svasti Microfinance Pvt Ltd	5	-	-	-	-	-	-	-	-	
Intrepid Finance and Leasing Private Ltd	5	-	-	-	-	63	-	13.13	13.13	
			41,914.32	12,317.38	54,231.70		4,341.67	17,939.19	22,280.86	

Face value (In Lakhs)	As at 31 March 2017			As at 31 March 2016			INR In Lakhs
	Units	Non-current	Current	Units	Non-current	Current	
	Total			Total			
B. Pass-through securities							
Taurus CV Trust March 2017	180	1,064.19	736.18	1,800.37	-	-	-
Icharus IFMR Capital 2016	166,561,747	-	1,726.04	1,726.04	166,561,747	3,307.32	4,996.86
Iarnus SBL IFMR Capital 2016	229,445,426	772.91	595.07	1,367.98	-	-	-
Ezra SBL IFMR Capital 2017	110,000,000	888.98	211.02	1,100.00	-	-	-
Inguz SBL IFMR Capital 2016	115,000,000	634.62	359.78	994.40	-	-	-
Scoffled SBL IFMR Capital 2017	90,430,058	58.34	667.51	725.85	-	-	-
Moses IFMR Capital 2016	70,073,574	-	700.74	700.74	-	-	-
Fioritura IFMR Capital 2016	8,592,487	-	601.47	601.47	8,592,487	601.47	601.47
Quail CV IFMR Capital 2016	4,491,369	-	538.96	538.96	-	-	-
IFMR Capital Mosec Harv 2017	60,000,000	191.90	346.82	538.72	-	-	-
Jupiter SBL IFMR Capital 2017	50,000,000	255.12	244.88	500.00	-	-	-
Astraea SBL IFMR Capital 2015	23,371,631	194.60	272.83	467.43	23,371,631	467.43	467.43
IFMR Capital Mosec Arcturus 2016	21,707,503	-	434.15	434.15	21,707,503	434.15	434.15
Techne SBL IFMR Capital 2015	221,327	184.48	248.30	432.78	221,327	585.13	877.94
Golani SBL IFMR Capital 2015	8,401,526	144.97	225.44	370.41	8,401,526	436.81	611.08
Mithras IFMR Capital 2015	28,893,349	-	288.93	288.93	28,893,349	288.93	288.93
Summanus IFMR Capital 2016	26,103,031	-	261.03	261.03	26,103,031	261.03	261.03
Corus IFMR Capital 2016	467,959	-	248.02	248.02	-	-	-
Vediovis IFMR Capital 2016	115,732,273	-	233.73	233.73	19,441	180.47	1,157.33
IFMR Capital Mosec Nile 2016	1,981,699	-	214.27	214.27	1,981,699	233.97	852.13
IFMR Capital Mosec Spes 2015	13,647	-	201.40	201.40	13,647	-	220.13
Kira IFMR Capital 2016	1,300,000	-	175.98	175.98	-	-	-
Anahita IFMR Capital 2014	113,455,224	-	19.23	19.23	113,455,224	-	306.37
Nephtys SBL IFMR Capital 2014	30,800,000	-	16.88	16.88	30,800,000	31.28	97.63
Hatten IFMR Capital 2016	101,508,037	-	12.48	12.48	-	-	-

Face value (In Lakhs)	As at 31 March 2017			As at 31 March 2016		
	Units	Non-current	Current	Units	Non-current	Current
	Total			Total		
B. Pass-through securities						
Aurelius IFMR Capital 2016	-	-	-	52,699,306	2,107.97	-
Comus IFMR Capital 2015	-	-	-	926,701	-	305.81
Delphin IFMR Capital 2015	-	-	-	2,596,681	-	259.67
IFMR Capital Mosec Aragorn 2015	-	-	-	548,997	-	108.18
Mosec Boreas 2015 IFMR Capital	-	-	-	1,086,637	-	597.65
IFMR Capital Sbi Mosec I	-	-	-	177,313,410	-	244.56
Maximus SBL IFMR Capital 2015	-	-	-	45,000,000	-	241.26
Olorun SBL IFMR Capital 2015	-	-	-	2,742,587	-	752.72
		4,390.11	9,581.14	7,318.18	8,472.12	15,790.30
C. Investments in Funds						
IFMR FImpact Medium Term Microfinance Fund	1,930	2,000.00	-	2,000.00	-	-
IFMR FImpact Long Term Credit Fund	3,986	4,000.00	-	4,000.00	-	-
IFMR FImpact Medium Term Opportunities Fund	4,000	4,000.00	-	4,000.00	-	-
		10,000.00	-	10,000.00	-	-
Total (A+B+C)		56,304.43	21,898.52	78,202.95	11,659.85	26,411.31
						38,071.16

Note 1: To the extent that the debentures are redeemable within 12 months of the reporting date, the amount has been presented as part of current investments. The balance has been presented as non-current investments. The tenure of these debentures ranges from 24 to 48 months. The interest rate on the investment in debentures ranges from 11.00% to 13.50% p.a.

Note 2: The investments in pass through certificates redeemable over the next 12 months from the balance sheet date have been classified as current investments. The balance amount has been presented as non-current investments.

Note 3: The investments in funds of INR 10,000 lakhs are redeemable on maturity and the interest rate ranges from 12.44% to 12.50%. The tenure of the investment ranges from is 3 to 10 years.

29 EMPLOYEE STOCK OPTION

INR in Lakhs

During the year 2013-14, 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 as determined by the Nomination and Remuneration Committee at the date of grant).

In addition, during the current year, the Company has granted second phase of options to its employees under ESOP Scheme. The options granted entitle the employees to purchase equity shares at an exercise price of INR 54.40/- per option as determined by the Nomination and Remuneration Committee.

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
Grant date	26 March 2014	10 November 2016
At the end of one year of service from grant date	20%	20%
At the end of two years	20%	20%
At the end of three years	30%	30%
At the end of four years	30%	30%

Share based payment expense

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

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Share based payment expense:		
Total expense recognised in ‘employee benefits’	137.67	99.01

Reconciliation of outstanding options

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

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at beginning of the year	2,304,000	15.53	2,825,000	15.28
Granted during the year	1,190,000	54.40	-	-
Forfeited during the year	-	-	20,000	27.95
Exercised during the year	1,733,000	11.38	501,000	13.62
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,761,000	45.88	2,304,000	15.53

INR in Lakhs

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

Particulars	Year ended 31 March 2017			Year ended 31 March 2016		
	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	1,761,000	INR/- 27.95 to 54.40	1 – 4 years	2,304,000	INR/- 10 to 37.95	2 years

The Company measures the compensation cost relating to the stock option using the intrinsic value method. The compensation cost is amortised over the vesting period of the stock option. The Company has accounted for the Employee stock options granted as per 'The Guidance Note on Employee Share Based Payments', issued by The Institute of Chartered Accountants of India. Accordingly, the Company has amortised an amount of INR 137.67 towards stock compensation expense for the year ended 31 March 2017 (INR 99.01 for the year ended 31 March 2016).

Had the compensation cost for the options been recognised based on the fair value at the date of grant in accordance with Black Scholes' model, the proforma amounts of the Company's net profit and earnings per share would have been as follows:

	For the year ended 31 March 2017	For the year ended 31 March 2016
Net profit as reported	16,752.82	15,002.27
Add: Employee compensation expense as per intrinsic value method	137.67	99.01
Less: Employee compensation expense as per fair value	(157.38)	(122.32)
Adjusted proforma net profit after tax	16,731.31	14,978.96
Basic EPS as reported	4.32	3.96
Basic EPS as proforma	4.32	3.95
Diluted EPS as reported	4.31	3.96
Diluted EPS as proforma	4.31	3.95

For the purposes of the proforma disclosure, the estimated grant-date fair value of stock options granted under the ESOP Scheme is INR/- 34.82 for options granted on 10 November 2016 and INR/- 0.15 to INR/- 20.64 for options granted on 26 March 2014.

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

	26 March 2014	10 November 2016
Grant date	26 March 2014	10 November 2016
Value of the share at the grant date	27.95	79.00
Exercise price	INR/- 10 to 37.95	INR/- 54.40
Expected volatility	0.00%	0.00%
Expected dividends	0.00%	0.00%
Risk-free interest rate (based on government bonds)	8.00%	6.88%
Expected life	4 years	4 years

INR in Lakhs

30 EMPLOYEE BENEFIT – POST EMPLOYMENT BENEFIT PLAN

Gratuity benefit plan

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet.

Particulars	31 March 2017	31 March 2016
Present value of obligations	163.59	139.27
Fair value of plan assets	115.23	107.81
Asset/ (Liability) recognised in the Balance Sheet	(48.36)	(31.46)
Classification into current and non-current:		
Current (refer note 7)	(48.36)	(31.46)
Non-current	-	-

Movement in present values of defined benefit obligations

Particulars	31 March 2017	31 March 2016
Defined benefit obligation at the beginning of the year	139.27	107.12
Current service cost	57.97	50.86
Interest cost	11.31	8.32
Actuarial (gains) / losses	(44.96)	(23.40)
Benefits paid by the plan	-	(3.63)
Defined benefit obligation at the end of the year	163.59	139.27

Movement in fair value of plan assets

Particulars	31 March 2017	31 March 2016
Fair value of plan assets at the beginning of the year	107.81	60.75
Contributions paid into the plan	-	46.37
Benefits paid by the plan	-	(3.63)
Expected return on plan assets	7.42	6.57
Actuarial (losses) / gains	-	(2.25)
Fair value of plan assets at the end of the year	115.23	107.81

Expense recognised in the statement of profit or loss

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
31 March 2016	50.86	48.16
Current service cost	57.97	50.86
Interest on obligation	11.31	8.32
Expected return on plan assets	(7.42)	(6.57)
Net actuarial (gain)/ loss recognised in the year	(44.96)	(21.15)
Total	16.90	31.46

INR in Lakhs

Actuarial assumptions

Particulars	31 March 2017	31 March 2016
Discount rate	6.88%	8.12%
Estimated rate of return on plan assets	6.88%	8.00%
Attrition rate	16.00%	16.00%
Future salary increases	12.00%	12.00%
Retirement age	58 years	58 years

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

Five year information

Gratuity	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation	163.59	139.27	107.12	56.76	30.26
Fair value of plan assets	115.23	107.81	60.75	43.39	39.81
Deficit in plan	48.36	31.46	46.37	13.37	(9.55)
Experience adjustments on plan liabilities	(44.96)	(23.40)	(2.23)	(2.83)	(28.24)
Experience adjustments on plan assets	-	(2.25)	(1.09)	(0.40)	(0.27)

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 286.71 (previous year INR 187.40)

**31 DISCLOSURE RELATING TO CERTAIN PROVISIONS
(AS PER AS 29 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS)**

Particulars	As at 1 April 2016	Additional provision	Utilization/ Reversal	As at 31 March 2017
Provision for standard assets	2,219.56	1,320.75	123.40	3,416.91
Provision for non-performing assets	7,456.35	10,331.11	1,766.96	16,020.50

Provision for standard assets

The Company recognizes contingency provision on standard assets at 0.35% as prescribed under the Framework.

Provision for non-performing asset

The Company classifies non-performing assets (NPA) at 120 days overdue and is in compliance with the requirement for the financial year ended 31 March 2017 as prescribed in the Framework.

INR in Lakhs

32 SEGMENT REPORTING

The Company is engaged in the business of financing assets and related activities. Further, the Company does not have any separate geographic segments other than India. There are no separate reportable segments as per AS 17 (Segment Reporting).

33 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2017	31 March 2016
Claims against the Company not acknowledged as debts: Value added taxes [bank guarantee provided against the claim INR 69.59 (Previous Year : 73.59)]	58.51	128.12
Bank guarantee against securitisation transactions	3,124.00	-

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.

34 RELATED PARTY DISCLOSURES

Name of the related parties and nature of relationship

Holding company/ Ultimate Holding Company	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Hinduja Housing Finance Limited ("HHF")
Associate company	<ul style="list-style-type: none"> HLF Services Limited ("HSL")
Fellow subsidiary	<ul style="list-style-type: none"> Hinduja Energy (India) Limited Gulf Ashley Motors Limited
Key management personnel (KMP)	<ul style="list-style-type: none"> Mr. S. Nagarajan, Executive Vice Chairman Mr. Sachin Pillai, Chief Executive Officer

INR in Lakhs

Related party transactions

Nature of transaction	Holding company (ALL)	Associate (HSL)	Subsidiary (HHF)	Fellow subsidiary	KMP
Salaries and allowances (see note below)	-	-	-	-	556.00 (528.89)
Investment in equity shares	-	-	7,500.00 (1,500.00)	-	-
Security deposit received	-	-	162.00 (-)	-	-
Inter-corporate deposits /advances given	-	-	667.00 (-)	25,000.00 * (5,000.00)	-
Repayments towards inter-corporate deposit /advances	-	-	667.00 (-)	20,000.00 * (5,000.00)	-
Advance given (Gulf Ashley Motors Limited)	-	-	-	9,517.25 (-)	-
Repayments towards trade advance (Gulf Ashley Motors Limited)	-	-	-	7,139.48 (-)	-
Reimbursement of expenses incurred on behalf of the related party	-	-	161.20 (15.95)	-	-
Interest on loan to customers	19.38 (28.79)	-	-	583.56 * (43.39)	-
Purchase of services including tax:					
a. Service provider fee	-	5,441.68 (3,204.05)	-	-	-
b. Sourcing / marketing expenses	-	454.07 (857.36)	-	-	-
Income from other services	- (9.81)	3,187.48 (2,040.11)	-	-	-
Number of equity shares allotted on exercise of options	-	-	-	-	1,640,000 (440,000)

* Transactions with Hinduja Energy (India) Limited.

Year end balances

Particulars	Holding company (ALL)	Associate (HSL)	Subsidiary (HHF)	Fellow subsidiary	KMP
Amounts due from related parties as at end of the year	- (6.73)	5,552.75 (3,509.42)	88.78 -	7,377.77# -	- -
Amounts due to related parties as at end of the year (security deposits)	-	-	162.00 (-)	-	-

#year-end balance of dealer trade advance receivable from Gulf Ashley Motors Limited (INR 2,377.77) and outstanding Inter corporate deposits INR 5,000 from Hinduja Energy (India) Limited.

Figures in bracket represent previous year figures.

Note: Salaries and allowances include stock compensation expense of INR 90 (31 March 2016: INR 99.01). As the future liabilities of gratuity and compensated absence are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key managerial person is not ascertainable separately and therefore not included above.

INR in Lakhs

35 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 709.72 (31 March 2016: INR 652.80).

36 CORPORATE SOCIAL RESPONSIBILITY (“CSR”) EXPENDITURE

During the year, the Company has incurred an amount of INR 110 towards corporate social responsibility expenditure. Such expenditure has been classified under the following head under other expenses (refer note 25).

	31 March 2017	31 March 2016
Other expenses – For purposes other than construction/ acquisition of any asset	110	150

37 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below

Details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 30 December 2016

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016[#]	1,378.10	45.33	1,423.42
Add : Permitted receipts **	1,320.59	11,275.17	12,595.76
Less : Permitted payments	-	-	-
Less : Amount deposited in banks	2,698.69	10,158.92	12,857.60
Closing cash in hand as on December 30, 2016[#]	-	1,161.58	1,161.58

[#] Based on the daily cash register and petty cash summary statement maintained across the branches.

* For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

** Includes direct cash deposits made by the customers in Company's bank accounts vide RBI Circular No. DCM (Plg) No. 1226/10.27.00/2016-17 dated 08 November 2016 under Section 3(c)(v). Also includes withdrawal from bank.

INR in Lakhs

38 UTILISATION OF THE PROCEEDS OF RIGHTS ISSUE

During the current year, the company raised a sum of INR 25,046.40 through a rights issue of equity shares to fund the business of lending loans to customers. The proceeds have been utilised as follows:

Particulars	31 March 2017	31 March 2016
Proceeds from rights issue	25,046.40	-
Utilisation during the year – Loan to customers	(25,046.40)	-
Un-utilised amount at the end of the year	-	-

39 EXPENDITURE IN FOREIGN CURRENCY

Particulars	31 March 2017	31 March 2016
Legal and professional charges	66.92	-

40 DISCLOSURE REQUIRED AS PER ANNEXURE XII OF THE MASTER DIRECTION DNBR PD 008/03.110.119/2016-17 DATED SEPTEMBER 1, 2016 ISSUED BY RBI

a. Capital

Particulars	31 March 2017	31 March 2016
CRAR %	15.84	16.19
CRAR - Tier I Capital %	11.16	11.07
CRAR - Tier II Capital %	4.68	5.12
Amount of subordinated debt raised as Tier II Capital (INR in lakhs)	50,200	42,300
Amount raised by issue of perpetual debt instruments (INR in lakhs)	Nil	Nil

b. Derivatives (Forward rate agreement/ interest rate swap)

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 2017 and 31 March 2016.

INR in Lakhs

c. Investments

	Particulars	31 March 2017	31 March 2016
1	Value of investment		
	(i) Gross value of investment		
	(a) In India	87,205.25	39,573.46
	(b) Outside India	Nil	Nil
	(ii) Provision for depreciation		
	(a) In India	Nil	Nil
	(b) Outside India	Nil	Nil
	(iii) Net Value of Investment		
	(a) In India	87,205.25	39,573.46
	(b) Outside India	Nil	Nil
2	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	}	}
	(ii) Add : Provisions made during the year		
	(iii) Less: Write off/ write back of excess provisions during the year		
	(iv) Closing balance		
		Nil	Nil

d. Disclosures relating to securitisation

1. Outstanding amount of securitized assets as per the books of the SPVs

Sl. No	Particulars	31 March 2017 No./Amount	31 March 2016 No./Amount
1	No of SPVs sponsored for securitization transactions	2	3
2	Total amount of securitised assets as per the books of the SPVs sponsored by the NBFC	44,884.49	16,868.19
3	Total amount of exposures retained by the NBFC to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	- First loss	-	-
	- Others	3,124.00	-
	b) On-balance sheet exposures		
	- First loss	5,975.56	11,632.58
	- Others	-	-

INR in Lakhs

4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitization		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisation		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party assignments		
	- First loss	-	-
	- Others	-	-

2. Details of assignment transactions undertaken

Particulars	31 March 2017	31 March 2016
Number of accounts	20,643	8,226
Aggregate value (net of provisions) of accounts sold (refer note below)	178,294.00	46,434.53
Aggregate consideration	178,294.00	46,434.53
Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
Aggregate gain/ loss over net book value	Nil	Nil

Note: Represents the value of the portfolio exclusive of MRR.

3. Details of non-performing assets purchased / sold

The Company has not purchased any non-performing assets during the financial year ended 31 March 2017 and 31 March 2016. Further, there were no financial assets sold to securitization/ Reconstruction Company for asset reconstruction during the year ended 31 March 2017 and 31 March 2016.

INR in Lakhs

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

at 31 March 2017

Particulars	Upto 1 month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Deposits	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Advances *	43,541.68	43,541.68	43,541.68	94,545.09	155,735.52	419,440.05	114,320.62	80,432.14	995,098.45
Investment	2,231.63	2,198.55	2,556.71	6,278.51	8,633.11	43,684.17	8,620.26	13,002.31	87,205.25
Borrowings	35,403.44	14,863.53	19,711.34	85,265.23	176,623.01	410,859.64	182,094.15	18,000.00	942,820.35
Foreign currency liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign currency assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

As at 31 March 2016

Particulars	Upto 1 month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Deposits	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Advances *	10,484.27	14,147.86	34,584.19	70,732.78	82,244.76	328,082.34	136,146.32	62,368.94	738,791.46
Investment	3,169.14	3,097.76	2,780.82	5,693.81	11,669.79	11,608.53	51.29	1,502.33	39,573.46
Borrowings	4,907.11	25,249.14	7,898.25	45,238.14	135,124.97	321,735.34	174,466.63	20,500.00	735,119.59
Foreign currency liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign currency assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Net of provision for non-performing assets of Rs. 16,020.50 (Previous year: 7,456.35)

INR in Lakhs

f. Exposures

1. Exposure to real estate sector

	Category	31 March 2017	31 March 2016
A.	Direct Exposure (Net of Advance from Customers)		
	(i) Residential Mortgages	116,712.92	17,582.81
	(ii) Commercial Real Estate	32,601.16	24,005.02
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitized 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)	14,584.79	5,879.04

2. Exposure to capital market

Particulars	31 March 2017	31 March 2016
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	9,002.30	1,502.30

g. Extent of financing of parent company products

Particulars	31 March 2017	31 March 2016
Loan outstanding as at year end out of the amount financed to parent company products (i)	334,613.10	339,060.41
Company portfolio (ii)	973,564.69	746,247.81
Percentage of financing for parent product upon Company's portfolio((i) / (ii))	34.37%	45.44%

Note: Loan outstanding as at year end out of the amount financed to parent company products does not include contracts that have been sold off as part of assignment/ securitization 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 2017 and 31 March 2016.

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 22 April 2014

INR in Lakhs

j. 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 2017 and 31 March 2016. However, subsequent to the balance sheet date, a penalty of INR 5 Lakhs has been imposed on the Company by RBI (RBI Press release: 2016-2017/2741 dated 11 April 2017).

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

Facility	Rating agency	31 March 2017	Date of rating
Long term banking facilities	CARE	A+	23 January 2017
Non-convertible debentures	CARE	A+	31 December 2016
Subordinated debentures	CARE	A+	31 December 2016
Commercial paper	CARE	A1+	8 December 2016
Subordinated debentures	ICRA	A+	24 August 2016
Non-convertible debentures	India Rating	A+	19 May 2016
Subordinated debentures	India Rating	A+	19 May 2016

l. Provisions and contingencies

Break up of provisions and contingencies shown in the statement of profit and loss (also refer note 24)	For the year ended 31 March 2017	For the year ended 31 March 2016
Under "Provisions and write off"		
Provision for non-performing assets	8,564.15	2,564.05
Provision for standard assets	1,197.35	899.62
Under "Tax expenses"		
Provision made towards income tax	8,923.17	7,455.77

m. Concentration of advances*, exposure# and NPAs

	Particulars	31 March 2017	31 March 2016
1	Concentration of advances		
	Total advances to twenty largest borrowers	31,152.49	31,427.64
	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	3.23%	4.21%
2	Concentration of exposures		
	Total Exposure to twenty largest borrowers / customers	45,485.74	54,058.73
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	3.30%	3.67%
3	Concentration of NPAs		
	Total exposure to top four NPA accounts	870.31	284.60

* Advances represents the outstanding balances as at the respective year end

Exposure represents the total amount financed as at the respective year end

INR in Lakhs

n. Sector wise NPA

Particulars	%of NPAs to total advances in that sector
Agriculture & allied activities	3.81%
MSME	1.82%
Corporate borrowers **	Nil
Services	Nil
Unsecured personal loans	Nil
Auto loans	7.01%
Other personal loans	Nil

** Corporate borrowers is included in the respective sector

o. Movement of NPAs

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(i) Net NPAs to Net Advances (%)	3.1%	2.8%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	34,811.04	23,729.07
(b) Additions during the year	37,506.87	18,718.11
(c) Reductions during the year	12,666.71	7,636.14
(d) Closing balance	59,651.20	34,811.04
(iii) Movement of Net NPAs		
(e) Opening balance	27,354.69	18,836.77
(f) Additions during the year	27,175.76	14,900.72
(g) Reductions during the year	10,899.75	6,382.80
(h) Closing balance	43,630.70	27,354.69
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	7,456.35	4,892.30
(b) Provisions made during the year	10,331.11	3,817.39
(c) Write-off / write-back of excess provisions	1,766.96	1,253.34
(d) Closing balance	16,020.50	7,456.35

Note: For the purpose of the Net NPA to Net Advances %, advances include loan to customers, repossessed assets, assigned contract balances, bank deposits, investment in debentures, investment

INR in Lakhs

in pass through securities, investment in funds, other receivables, loan against property, inventory funding and dealer trade advances/ balances.

p. 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 2017 and 31 March 2016 and hence this disclosure is not applicable.

q. Off-balance sheet SPVs sponsored

There were no off-balance sheet SPVs sponsored by the Company during the year ended 31 March 2017 and 31 March 2016.

r. Customer complaints*

Particulars	31 March 2017
No. of complaints pending at the beginning of the year	76
No. of complaints received during the year	2485
No. of complaints redressed during the year	2479
No. of complaints pending at the end of the year	82

* As per the records of the Company

41 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		Total	
	No's	Value	No's	Value	No's	Value	No's	Value
A) Person Involved								
Staff	Nil	Nil	3	10.98	Nil	Nil	3	10.98
Staff and Outsiders	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	3	10.98	Nil	Nil	3	10.98
B) Type of Fraud								
Misappropriation and Criminal breach of trust	Nil	Nil	3	10.98	Nil	Nil	3	10.98
Cheating and Forgery	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	3	10.98	Nil	Nil	3	10.98

Note: Based on the filings made by the Company with the Reserve Bank of India.

INR in Lakhs

42 DISCLOSURE REQUIRED AS PER ANNEXURE I OF THE MASTER DIRECTION DNBR PD 008/03.110.119/2016-17 ISSUED BY RBI

a. Liabilities: Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid

	Particulars	Amount Outstanding		Amount overdue	
		As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
(a)	Debentures				
	- Secured	271,000.00	200,000.00	Nil	Nil
	- Unsecured	68,500.00	50,500.00	Nil	Nil
(b)	Deferred Credits	Nil	Nil	Nil	Nil
(c)	Term Loans	566,913.90	425,274.93	Nil	Nil
(d)	Inter-Corporate Loans and Borrowings	Nil	Nil	Nil	Nil
(e)	Commercial Paper	Nil	Nil	Nil	Nil
(f)	Other Loans (Represents Cash Credits and Working Capital Demand Loans from banks)	36,406.45	59,344.65	Nil	Nil

b. Assets

	Particulars	Amount outstanding	
		31 March 2017	31 March 2016
1.	Break-up of Loans and Advances including bills receivables		
(a)	Secured (Including Repossessed Assets)	1,008,110.97	786,652.15
(b)	Unsecured	21,154.61	3,412.70

	Particulars	Amount outstanding	
		31 March 2017	31 March 2016
2.	Break up of Leased Assets and Stock on Hire and other Assets counting towards AFC activities		
(i)	Lease Assets including Lease rentals under sundry debtors:		
	(a) Financial Lease	Nil	Nil
	(b) Operating Lease	Nil	Nil
(ii)	Stock on hire		
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
(iii)	Other Loans counting towards AFC activities		
	(a) Loans where Assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil

INR in Lakhs

	Particulars	Amount outstanding	
		31 March 2017	31 March 2016
3. Breakup of investments			
Current Investments			
I	Quoted:		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	12,317.39	17,939.19
	(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)	9,581.14	8,472.12
Long term investments			
I	Quoted:		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	41,914.32	4,341.67
	(iii) Units of Mutual Fund	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others (Please Specify)	Nil	Nil
II	Unquoted:		
	(i) Shares : (a) Equity	9,002.30	1,502.30
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of Mutual Fund	10,000.00	Nil
	(iv) Government Securities	Nil	Nil
	(iv) Others (Pass through securities)	4,459.12	7,318.18

INR in Lakhs

Borrower group-wise classification of assets financed as in (2) and (3) above

	Category	Amount net of provisions					
		31 March 2017			31 March 2016		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related parties						
	(i) Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
	(ii) Companies in the same group	2,377.77	10,642.58	13,020.35	Nil	3,509.42	3,509.42
	(iii) Other related parties	Nil	6.73	6.73	Nil	6.73	6.73
2	Other than related parties	1,005,733.20	10,512.03	1,016,245.23	783,136.00	3,412.70	786,548.70
	Total	1,008,110.97	21,154.61	1,029,265.58	783,136.00	6,928.85	790,064.85

4. Investor group-wise classification of all Investments (Current and Long-term) in Shares and Securities (both quoted and unquoted)

	Particulars	31 March 2017		31 March 2016	
		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	9,000.00	9,000.00	1,500.00	1,500.00
	(b) Companies in the same group	2.30	2.30	2.30	2.30
	(c) Other Related Parties	Nil	Nil	Nil	Nil
2	Other than Related Parties	78,202.97	78,202.97	38,071.16	38,071.16
	Total	87,205.27	87,205.27	39,573.46	39,573.46

5. Other information

	Particulars	31 March 2017	31 March 2016
(i)	Gross Non-Performing Assets		
	a) Related Parties	Nil	Nil
	b) Others	59,651.20	34,811.04
(ii)	Net Non-Performing Assets		
	a) Related Parties	Nil	Nil
	b) Others	43,630.70	27,354.69
(iii)	Assets Acquired in satisfaction of Debt	Nil	Nil

Note: Gross non-performing assets and Net non-performing assets represents loan to customers.

43 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.

44 Previous year balances

Previous year balances have been regrouped wherever necessary to conform to current years' presentation.

As per our report of even date

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's registration number: 101248W/ W-100022

Ashish Gupta

Partner

Membership No: 215165

Place : Chennai

Date : 23rd May, 2017

For and on behalf of the Board of Directors of

Hinduja Leyland Finance Limited

Dheeraj G Hinduja

Chairman

DIN No : 00133410

G Vijayakumar

Chief Financial Officer

Place : Chennai

Date : May 23, 2017

S Nagarajan

Executive Vice Chairman

DIN No : 00009236

J Meenakshi

Company Secretary

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Hinduja Leyland Finance Limited (the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate comprising of the consolidated balance sheet as at March 31, 2017, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the Group and of its associate 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors 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 consolidated financial statements

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the 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 March 31, 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

The consolidated financial statements include the Group's share of net profit of Rs. 39.30 lakhs for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of the associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the associate, is based solely on the 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 matter with respect to our reliance on the work done and the reports of the other auditors.

Report on other legal and regulatory requirements

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 purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of the books of account and the report of the other auditors;
- (c) The consolidated balance sheet, consolidated statement of profit and loss, and consolidated cash flow statement dealt with by this report are in agreement with the 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- (e) On the basis of written representations received from the directors of the Holding Company and Subsidiary Company as at March 31, 2017, and taken on record by the board of directors of the Holding Company and Subsidiary Company, and the report of the statutory auditors of the associate company, we report that none of the directors of the Group and its associate is disqualified as at March 31, 2017, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its associate and the operating effectiveness of such controls, refer to our

separate report in "Annexure A"; and

(g) With respect to other matters to be included in the Auditor's 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate – Refer Note 33 to the consolidated financial statements.
- (ii) The Group has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts - Refer Note 24 to the consolidated financial statements in respect of such items as it relates to the Group, its associate and (b) the Group's share of net profit/loss in respect of its associate.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the

Holding Company, and its subsidiary and associate company incorporated in India.

- (iv) The Group has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Group and as produced to us by the Management – Refer Note 37 to the consolidated financial statements.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's registration number: 101248W/ W-100022

Ashish Gupta

Partner

Membership No. 215165

Place : Chennai

Date : 23rd May, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Group as of the and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Hinduja Leyland Finance Limited (“the Holding Company”) and its subsidiary and associate which are incorporated in India as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (‘ICAI’). 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Group and its associates internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing,

issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group and its associates internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Group and its associate 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate company, which is incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's registration number: 101248W/ W-100022

Ashish Gupta
Partner
Membership No. 215165

Place : Chennai
Date : 23rd May, 2017

CONSOLIDATED BALANCE SHEET

As at 31 March 2017



HINDUJA LEYLAND FINANCE

	Note	31 Mar 2017	INR In Lakhs 31 Mar 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	41,215.59	37,871.86
Reserves and surplus	4	108,085.39	69,093.14
		149,300.98	106,965.00
Non-Current Liabilities			
Long-term borrowings	5	630,919.86	524,201.97
Other long term liabilities	6	4,633.71	2,744.15
Long-term provisions	7	5,621.02	3,948.51
		641,174.59	530,894.63
Current Liabilities			
Short-term borrowings	8	50,164.66	59,344.65
Trade payables			
- Dues to others	9	-	-
- Dues to micro and small enterprises	9	210.83	329.52
Other current liabilities	10	338,607.68	181,234.46
Short-term provisions	7	14,313.12	5,954.08
		403,296.29	246,862.71
TOTAL		1,193,771.86	884,722.34
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible assets	11	4,694.58	4,088.53
- Intangible assets	12	58.02	53.41
- Capital work-in-progress		108.87	209.71
		4,861.47	4,351.65
Non-current investments	13	56,400.28	11,737.66
Deferred tax asset (net)	14	6,064.72	3,411.90
Long-term loans and advances	15	668,627.98	541,370.82
Other non-current assets	16	2,719.57	11,632.58
		738,674.02	572,504.61
Current Assets			
Current investments	17	21,898.52	26,411.31
Cash and bank balances	18	6,767.84	9,453.87
Short-term loans and advances	19	404,659.97	263,996.64
Other current assets	20	21,771.51	12,355.91
		455,097.84	312,217.73
TOTAL		1,193,771.86	884,722.34
Significant accounting policies	2		

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

ICAI Firm's registration number: 101248W/ W-100022

Ashish Gupta

Partner

Membership No: 215165

Place : Chennai

Date : 23rd May, 2017

For and on behalf of the Board of Directors of

Hinduja Leyland Finance Limited

Dheeraj G Hinduja

Chairman

DIN No : 00133410

G Vijayakumar

Chief Financial Officer

Place : Chennai

Date : 23rd May, 2017

S Nagarajan

Executive Vice Chairman

DIN No : 00009236

J Meenakshi

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31 March 2017

		INR In Lakhs	
Revenue	Note	31 Mar 2017	31 Mar 2016
Revenue from operations	21	151,111.12	114,649.48
Total revenue		151,111.12	114,649.48
Expenses			
Employee benefit expense	22	6,542.31	4,821.06
Finance cost	23	84,630.33	62,453.48
Depreciation and amortisation expense	11 and 12	589.21	560.14
Provisions and write off	24	20,803.77	15,344.49
Other expenses	25	12,256.99	9,002.81
Total expenses		124,822.61	92,181.98
Profit before share of profit of equity accounted investee and exceptional items		26,288.51	22,467.50
Share of profit of equity accounted investee (net of tax)		18.04	21.75
Profit before exceptional items and tax		26,306.55	22,489.25
Exceptional items	26	310.00	-
Profit before tax		25,996.55	22,489.25
Tax expense:			
- Current tax		11,695.69	8,770.90
- Deferred tax		(2,652.82)	(1,312.21)
Profit after tax		16,953.68	15,030.56
Earnings per equity share of ₹ 10 each	27		
-Basic (in ₹)		4.37	3.97
-Diluted (in ₹)		4.36	3.97
Significant accounting policies	2		

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

ICAI Firm's registration number: 101248W/ W-100022

Ashish Gupta

Partner

Membership No: 215165

Place : Chennai

Date : 23rd May, 2017

For and on behalf of the Board of Directors of

Hinduja Leyland Finance Limited**Dheeraj G Hinduja**

Chairman

DIN No : 00133410

G Vijayakumar

Chief Financial Officer

Place : Chennai

Date : 23rd May, 2017**S Nagarajan**

Executive Vice Chairman

DIN No : 00009236

J Meenakshi

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 March 2017

	Note	31 Mar 2017	31 Mar 2016
INR In Lakhs			
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax		25,996.55	22,489.25
Adjustments for:			
Share of profit of equity accounted investee (net of tax)		(18.04)	(21.75)
Depreciation and amortisation		589.21	560.14
Loss on sale of repossessed assets		10,593.75	10,585.06
Contingent provision against standard assets		1,343.76	932.92
Provision for non-performing assets		8,564.15	2,564.05
Bad debts written off		302.11	1,262.46
Fixed assets written off		0.34	-
Discount on commercial paper		2,728.56	2,583.95
Share based payment expense		137.67	99.01
Provision for compensated absence and gratuity		58.07	99.15
OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES		50,296.13	41,154.24
Adjustments for:			
(Increase) in loan to customers (excluding repossessed assets)		(235,065.65)	(265,907.06)
(Increase) in repossessed assets		(10,966.62)	(11,387.93)
(Increase) in other loans and advances		(40,615.78)	(21,025.89)
Increase in current, non- current liabilities and provisions		19,936.78	8,995.15
Cash (used in) from operations		(216,415.15)	(248,171.49)
Taxes paid (net)		(10,240.15)	(9,714.11)
NET CASH (used in) OPERATING ACTIVITIES (A)		(226,655.30)	(257,885.60)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Investment in pass through securities (net)		1,819.05	(392.72)
Investment in redeemable non convertible debentures (net)		(31,950.84)	5,232.90
Investment in funds		(10,000.00)	-
Bank deposits (having maturity of more than three months)		5,499.93	(1,141.61)
Purchase of fixed assets (tangible and intangible fixed assets) including capital work-in-progress and capital advances		(1,174.94)	(1,408.51)
NET CASH (USED IN) FROM INVESTING ACTIVITIES (B)		(35,806.80)	2,290.06

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2017

**HINDUJA LEYLAND FINANCE**

		INR In Lakhs	
	Note	31 Mar 2017	31 Mar 2016
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares including securities premium (net)		25,244.63	68.28
Proceeds from borrowings		429,258.21	415,500.00
Repayments of borrowings		(169,860.96)	(149,899.69)
Proceeds from working capital loan/ cash credit (net) and commercial paper (net)		(28,395.32)	(8,261.68)
NET CASH FROM FINANCING ACTIVITIES (C)		256,246.56	257,406.91
Net increase in cash and cash equivalents (A+B+C)		(6,215.53)	1,811.37
Cash and cash equivalents at the beginning of the period		9,011.65	7,200.28
Cash and cash equivalents at the end of the period	18	2,796.12	9,011.65
Components of cash and cash equivalents			
Cash and cheques on hand		1,480.27	4,233.89
Balances with banks			
-in current accounts		1,315.85	4,777.76
INR In Lakhs	2	2,796.12	9,011.65
Significant accounting policies			

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

ICAI Firm's registration number: 101248W/ W-100022

Ashish Gupta

Partner

Membership No: 215165

Place : Chennai

Date : 23rd May, 2017

For and on behalf of the Board of Directors of

Hinduja Leyland Finance Limited**Dheeraj G Hinduja**

Chairman

DIN No : 00133410

G Vijayakumar

Chief Financial Officer

Place : Chennai

Date : 23rd May, 2017**S Nagarajan**

Executive Vice Chairman

DIN No : 00009236

J Meenakshi

Company Secretary

1 Company overview

Hinduja Leyland Finance Limited (the Company), incorporated 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 subsidiary and associate of the Company are listed below:

Name of the Company	Relationship	Percentage holding
Hinduja Housing Finance Limited (Incorporated on April 15, 2015)	Subsidiary Company	100%
HLF Services Limited	Associate Company	45.90%

The Company, subsidiary and associate are collectively referred to as Group.

2. Significant accounting policies

2.1. Basis of preparation

The consolidated financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated, and in accordance with the generally accepted accounting principles in India (“Indian GAAP”) and conform to the statutory requirements, circulars and guidelines issued by the Reserve Bank of India (RBI) and National Housing Bank (NHB) from time to time to the extent they have an impact on the financial statements and current practices prevailing in India. The financial statements have been prepared to comply in all material respects with the Accounting Standards (“AS”) notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.

The Company incorporated a subsidiary company on April 15, 2015. The consolidated financial statements are presented in Indian rupees rounded off to the nearest lakh upto two decimal places.

The Consolidated Financial Statements has been prepared in the following basis:

- a. The financial statements of the Company and its subsidiary company have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating the intra group balances and intra group transactions and resulting unrealised profits in full as per Accounting Standard 21 – Consolidated Financial Statements (AS 21). Investment in subsidiary is eliminated and difference between cost of investment over the net assets on the date of the investment in subsidiary is recognised as goodwill/ capital reserve, as the case may be.
- b. Investment in associate company where the Company holds 20% or more of equity are accounted using the equity method of accounting in accordance with Accounting Standard 23 - Accounting for Investment in Associates in Consolidated Financial Statements (AS 23), where it is able to exercise significant influence over the operating and financial policies of the investee. The Company accounts for its share in the change of the net assets of the associate after elimination of the unrealised profits or losses resulting from transactions between the Company and its associate, as applicable, to the extent of its share through the statement of profit and loss based on the available information.

- c. If, under the equity method, the Company's share of losses of an associate equals or exceeds the carrying amount of the investment, the Company discontinues recognising its share of further losses and the investment is reported at Nilvalue. Additional losses are provided for to the extent that the Company has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the Company has guaranteed or to which the Company is otherwise committed. If the associate subsequently reports profits, the Company resumes including its share of those profits only after its share of the profits equals the share of net losses that have not been recognised.
- d. Goodwill on consolidation represents the excess of purchase consideration over the net book value of assets acquired of the subsidiary as on the date of investment. Goodwill on consolidated is not amortised but is tested for impairment on each balance sheet date and impairment losses are recognised.
- e. As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's standalone financial statements.
- f. The financial statement of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company.
- g. Investments other than in subsidiary and associate are accounted as per the Accounting Standard 13 - Accounting for Investments (AS 13).

All assets and liabilities have been classified into current and non-current as per Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.2. Use of estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles ('GAAP') requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3. Loan to customers

Loan to customers include assets given on finance / loan and amounts paid for acquiring financial assets from other Banks / NBFCs.

Loan to customers represents amounts receivable under finance / loan agreements and are valued at net investment amount including installments due and is net of amounts securitised / assigned and includes advances under such agreements.

2.4. Revenue recognition

- a) Interest / finance income from loans to customers included in revenue from operations represents interest income arrived at based on internal rate of return method. Interest income is recognised as it accrues on a time proportion basis taking into account the amount outstanding and the rate applicable, except in the case of non-performing assets (NPA) where it is recognised upon realisation.
- b) Interest income on Housing Loans is recognized on accrual basis except in case of non-performing assets where interest is recognized on realization, as per NHB guidelines. Repayment of housing loan is by way of Equated monthly Instalment (EMI) comprising principal and interest. Interest is calculated on monthly reducing balance in terms of financing scheme opted by borrowers. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI interest is charged every month and is accounted on accrual basis.

c) **Income on securitisation / assignment**

In respect of transfer of financial assets by way of securitisation or bilateral assignments, the said assets are de-recognized upon contractual transfer thereof, and transfer of substantial risks and rewards to the purchaser. The gain arising on transfer of financial assets by way of securitisation or bilateral assignments, if received in cash, is amortised over the tenure of the related financial assets, and if received by way of excess interest spread, is recognised based on accrual basis. Loss on sale, if any, is charged to statement of profit and loss immediately at the time of sale.

- d) Upfront service charges / processing fee pertaining to loan origination is amortised over the tenure of the loan.
- e) Interest on fixed deposits, pass-through securities and debentures is recognised on an accrual basis.
- f) Income from other services is recognised on an accrual basis.

2.5. Provisioning for non-performing assets and doubtful debts

NPA including loans and advances and receivables are identified as bad / doubtful based on the duration of the delinquency. NPA provisions are made based on the management's assessment of the degree of impairment and the level of provisioning meets the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended by Reserve Bank of India from time to time ('Framework'). These provisioning norms are considered the minimum and additional provision is made based on perceived credit risk where necessary.

All contracts which as per the management are not likely to be recovered are considered as loss assets and written off as bad debts. Recoveries made from written off contracts are included in 'other operating income'

Housing loans are classified as per National Housing Bank (NHB) Directions, 2010. (NHB guidelines), into performing assets and Non-Performing Assets (NPA). Further NPA are classified into sub-standard, doubtful and loss assets, and provision is made based on NHB guidelines. Additional provisions are made against specific NPA over and above as stated in NHB guidelines, if in the opinion of management higher provision is necessary.

2.6. Provisions for standard assets

Provisions for standard assets are made as per the Prudential norms, as applicable from time to time. Such provision is disclosed as “contingency provision on standard assets” under the financial statement caption “provisions”.

The Group maintains general provisions for standard assets as per NHB guidelines as regards its subsidiary.

2.7. Fixed assets, intangible assets and capital work in progress

Fixed assets are carried at cost less accumulated depreciation. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses incurred in relation to the acquisition and installation of the respective assets.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as long term loans and advances. The cost of fixed assets not ready for their intended use at each balance sheet date is disclosed as capital work-in-progress.

Intangible assets are recorded at the consideration paid for acquisition / development and licensing less accumulated amortisation.

2.8. Depreciation and amortisation

Depreciation on fixed assets is provided using the straight line method over the estimated useful life of each asset as determined by the management. The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 are generally adhered to, except in respect of asset classes where, based on technical evaluation, a different estimate of useful life is considered suitable.

Pursuant to this policy, the useful life of the assets is estimated at:

Assets Description	Useful life
Building	20 years
Furniture and Fittings	8 years
Vehicles	5 years
Office equipment	5 years
Servers and computers (included in office equipment)	3 -6 years
Leasehold improvements	Primary lease period or three years whichever is earlier.

Assets individually costing less than or equal to Rs. 5,000/- are fully depreciated in the year of acquisition. The Company has estimated a Nil residual value at the end of the useful life for all block of assets.

Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Intangible assets are amortised over their estimated useful lives, not exceeding five years, on a straight line basis, commencing from the date the asset is available to the Company for its use

2.9. Impairment

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

2.10. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments".

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each investment.

Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

2.11. Repossessed assets

Repossessed assets are valued at lower of amounts due from the customer or net realisable value.

2.12. Employee benefits

a) Provident fund

Contributions paid / payable to the recognised provident fund, which is a defined contribution scheme, are charged to the statement of profit and loss.

b) Gratuity

The Group's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

c) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

d) Employee stock option schemes

The intrinsic value i.e. excess of fair value of shares, at the date of grant of options under the Employee Stock Option Scheme of the Company, over the exercise price is regarded as employee compensation. This is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

2.13. Loan origination costs

Sourcing expenses, brokerage, commission, service provider fee, incentives etc. paid for loan origination are charged to expense over the tenure of the loan and included under other expenses - Sourcing expenses / service provider fees.

2.14. Provision

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. is recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

2.15. Income taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in Statement of profit or loss.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.16. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.17. Transactions in foreign currencies

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

2.18. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.19. Operating leases

Lease payments for assets taken on an operating lease are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

2.20. Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit after tax attributable to the equity shareholders for the year and the weighted average number of shares outstanding during the year are

adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

In computing diluted earnings per share, only potential equity shares that are dilutive and that reduce profit / loss per share are included.

2.21. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.22. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.23. Segment reporting

The Company is engaged in the business of financing and related activities. Further, the Company does not have any separate geographic segments other than India. There are no separate reportable segments as per AS 17 - Segment Reporting.

	31 Mar 2017	INR In Lakhs 31 Mar 2016
3 SHARE CAPITAL		
Authorised		
622,907,700 (Previous year: 622,907,700) equity shares of Rs. 10/- each	62,290.77	62,290.77
Issued, subscribed and paid up	62,290.77	62,290.77
Equity share capital:		
412,155,921 (Previous year: 378,718,619) equity shares of Rs. 10/- each	41,215.59	37,871.86
	41,215.59	37,871.86

a) **Reconciliation of number of shares and amount outstanding at the beginning and as at the end of the year:**

	As at 31 Mar 2017		As at 31 Mar 2016	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	378,718,619	37,871.86	378,217,619	37,821.76
Issued during the year	33,437,302	3,343.73	501,000	50.10
Outstanding at the end of the year	412,155,921	41,215.59	378,718,619	37,871.86

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

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

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

	As at 31 Mar 2017		As at 31 Mar 2016	
	Number	% holding	Number	% holding
Equity shares				
Ashok Leyland Limited; holding company	235,749,382	57.20%	217,499,800	57.43%

INR In Lakhs

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

Equity shares	As at 31 Mar 2017		As at 31 Mar 2016	
	Number	% holding in class	Number	% holding in class
Ashok Leyland Limited; holding company	235,749,382	57.20%	217,499,800	57.43%
IndusInd International Holdings Limited	80,751,012	19.59%	4,500,000	1.19%
Everfin Holdings	57,652,421	13.99%	53,217,619	14.05%
Hinduja Ventures Limited	21,557,692	5.23%	19,888,890	5.25%
Hinduja Power Limited	-	-	70,000,000	18.48%

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

	As at 31 Mar 2017		As at 31 Mar 2016	
	Number	Amount	Number	Amount
Under Employee stock option scheme, 2013, at an exercise price as determined by the Nomination and Remuneration Committee	19,906,191	1,990.62	19,906,191	1,990.62

Note: The terms attached to stock options granted to employees are described in note 29 regarding employee share based payments

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 2017 (31 March 2016)

- 2,234,000 (Previous year - 501,000) equity shares issued under employee stock option plan for which only exercise price has been received in cash.

4 RESERVES AND SURPLUS	INR In Lakhs	
	As at 31 March 2017	As at 31 March 2016
I. Securities premium account		
At the beginning of the year	14,466.21	14,376.03
Add : Premium received on equity shares	21,900.90	18.18
Add : Transferred from employee stock option outstanding account	287.00	72.00
At the end of the year	36,654.11	14,466.21
II. Employee stock option outstanding account		
At the beginning of the year	200.81	173.80
Add : Share based payment expense for the year	137.67	99.01
Less : Transferred to securities premium account on exercise of stock options	(287.00)	(72.00)
At the end of the year	51.48	200.81
III. Statutory Reserve*		
At the beginning of the year	10,912.29	7,900.53
Add : Amount transferred from surplus in statement of profit and loss	3,387.12	3,011.76
At the end of the year	14,299.41	10,912.29
IV. Surplus in statement of profit and loss		
At the beginning of the year	43,513.83	31,495.03
Add : Profit for the year	16,953.68	15,030.56
Less : Transfer to statutory reserve	(3,387.12)	(3,011.76)
Net surplus in the statement of profit and loss	57,080.39	43,513.83
Total reserves and surplus	108,085.39	69,093.14

* Hinduja Leyland Finance Limited and Hinduja Housing Finance Limited have created a statutory reserve at the rate of 20% of profit after tax as per Section 45-IC of Reserve Bank of India Act, 1934 and Section 29C of National Housing Bank Act, 1987 respectively

5 LONG-TERM BORROWINGS

	Non-current portion		Current portion*	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
UNSECURED				
6,850 (Previous year: 5,050) Subordinated redeemable non-convertible debentures	68,500.00	50,500.00	-	-
SECURED				
25,300 (Previous year: 18,200) Redeemable non-convertible debentures	198,500.00	200,000.00	72,500.00	-
Term loans from banks	363,899.10	273,643.33	225,454.37	159,027.63
Vehicle loan	20.76	58.64	39.67	45.33
	630,919.86	524,201.97	297,994.04	159,072.96

* included in other current liabilities (refer note 10)

5.1 DETAILS RELATING TO TERM LOANS

Repayment terms	Remaining installments		Total amount repayable	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Monthly	36	72	4,957.39	10,798.71
Quarterly	351	220	337,897.23	201,771.86
Half-yearly	39	54	229,832.19	207,467.06
Annual	5	4	16,666.66	12,633.33
			589,353.47	432,670.96

- 1) Term loans from banks carry interest rates ranging from "Marginal Cost of Funds based Lending Rate (MCLR) of the respective bank" to "MCLR of the respective bank + 1.30% per annum" and the loan period ranges from 3 to 5 years. As at 31 March 2017, the rate of interest across the loans was in the range of 8.40% p.a to 10.80% p.a.
- 2) Vehicle loans amounting to INR 60.43 (Previous period : INR 103.97) are repayable in monthly instalments over a period of 4 years.
- 3) The term loans in relation to Hinduja Housing Finance Limited carry interest rates ranging from "Marginal Cost of Funds based Lending Rate (MCLR) of the respective bank" to "MCLR of the respective bank + 0.70% per annum" and the loan period ranges from 6 to 7 years. As at 31 March 2017, the rate of interest across the loans was in the range of 9.30% p.a to 10.00% p.a. under floating rate and carries an interest rate of "base rate plus spread" of the respective bank.

5.2 Details relating to subordinated debentures

6,850 (Previous period : 5,050) debentures were issued with a face value of Rs. 1,000,000/-. These debentures carry interest rates ranging from 11.10% p.a. to 12.40% p.a. and the redemption period is 5 to 7 years.

5.3 Details relating to redeemable non-convertible debentures

Out of 25,300 (Previous year: 18,200) debentures,

- a) 1,200 (Previous year: 1,200) debentures were issued with a face value of Rs.2,500,000/-. As at 31 March 2017, these debentures carry interest rates at 10.50% p.a. and the redemption period is 3 years from the date of allotment.
- b) 14,600 (Previous year: 9,500) debentures were issued with a face value of Rs.1,000,000/-. As at 31 March 2017, these debentures carry interest rates ranging from 10.35% p.a. to 10.70% p.a. and the redemption period is 3 to 5 years from the date of allotment.
- c) 9,500 (Previous year: 7,500) debentures were issued with a face value of Rs.1,000,000/-. As at 31 March 2017, these debentures carry interest rates ranging from "Base rate of State Bank of India + 0.05%" to "Base rate of State Bank of India + 0.18%" and the redemption period is 3 to 5 years. As at 31 March 2017, the rate of interest was in the range of 9.35% p.a to 9.48% p.a.

The aforesaid debentures are listed at Bombay Stock Exchange.

5.4 Nature of security

- a) Redeemable non-convertible debentures are secured by first ranking mortgage of an immovable property in favour of trustees, in addition to pari passu charge on hypothecation of loan receivables with a security cover of 110% as per the terms of issue.
- b) Term loans from banks of INR 566,853.465 are secured by hypothecation of designated assets on finance / loan and future receivables therefrom, and investments in pass through certificates.
- c) Term loans from banks of INR 22,500 are secured by an exclusive first charge on the receivables of Hinduja Housing Finance Limited with an asset cover of 1.10 times of the facility outstanding.
- d) Vehicle loans are secured against the underlying vehicles.

6 OTHER LONG-TERM LIABILITIES

Income received in advance

	31 Mar 2017	INR In Lakhs 31 Mar 2016
	4,633.71	2,744.15
	4,633.71	2,744.15

INR In Lakhs

	Long-term		Short-term	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
7 PROVISIONS				
Contingency provision on standard assets*	2,445.50	1,644.57	1,151.13	608.29
Provision for non-performing assets *	2,997.15	2,171.46	13,023.35	5,284.89
Provision for taxation (net)	-	-	65.56	-
Provision for employee benefits				
- Gratuity (also refer note 30)	5.98	-	48.36	31.46
- Compensated absence	172.39	132.48	24.72	29.44
	5,621.02	3,948.51	14,313.12	5,954.08

* refer note 31 for movement in provisions

**8 SHORT-TERM BORROWINGS
SECURED**

Cash credit and working capital demand loans from banks

	31 Mar 2017	31 Mar 2016
	50,164.66	59,344.65
	50,164.66	59,344.65

Nature of Security

Cash credit and working capital demand loans, availed by the parent company, 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 + 0.25% per annum" to "MCLR of the respective bank + 1.30% per annum". As at 31 March 2017, the rate of interest across the loans was in the range of 8.40% p.a to 10.75% p.a.

The cash credit is availed from banks, by the subsidiary company, carry interest rates ranging from "Marginal Cost of Funds based Lending Rate (MCLR) of the respective bank" to "MCLR of the respective bank + 0.70% per annum" and these are repayable on demand. As at 31 March 2017, the rate of interest across the loans was in the range of 9.35% p.a to 10.48% p.a. The term loan is secured by a exclusive first charge on the receivables of the Company with an asset cover of 1.25 times of the facility outstanding.

9 TRADE PAYABLES

- Dues to micro enterprises and small enterprises
- Dues to creditors other than micro enterprises and small enterprise

	31 Mar 2017	31 Mar 2016
	-	-
	210.83	329.52
	210.83	329.52

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 02, 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.

10 OTHER CURRENT LIABILITIES

To related parties

Dues to HLF Services Limited (Associate Company)

To parties other than related parties

Current maturities of long term borrowings (refer note 5)

Interest accrued but not due on borrowings

Vendor for capital goods

Security deposits

Income received in advance

Dues to

Assignees towards collections in assigned assets

Employees

Statutory authorities

Others

	31 Mar 2017	31 Mar 2016
	21.62	-
	297,994.04	159,072.96
	21,200.92	13,938.22
	9.35	-
	-	4.53
	2,844.30	2,380.27
	15,042.55	5,062.60
	478.08	353.76
	995.55	324.12
	21.27	98.00
	338,607.68	181,234.46

INR In Lakhs

Particulars	Freehold land	Building	Leasehold improvements	Furniture and fittings	Vehicles	Office equipment	Total
Gross Block							
At 1 April 2015	1,565.55	861.44	147.78	600.03	434.02	833.41	4,442.23
Additions	500.60	91.01	75.73	32.10	196.72	300.62	1,196.78
Deletions	-	-	-	-	-	0.70	0.70
At 31 March 2016	2,066.15	952.45	223.51	632.13	630.74	1,133.33	5,638.31
Additions	-	509.16	41.23	63.77	257.33	303.11	1,174.60
Deletions	-	-	-	-	-	0.34	0.34
At 31 March 2017	2,066.15	1,461.61	264.74	695.90	888.07	1,436.10	6,812.57
Accumulated Depreciation							
At 1 April 2015	-	71.51	111.07	202.12	128.61	494.18	1,007.49
Charge for the year	-	45.58	32.04	130.11	114.21	220.90	542.84
Deletions	-	-	-	-	-	0.55	0.55
At 31 March 2016	-	117.09	143.11	332.23	242.82	714.53	1,549.78
Charge for the year	-	48.60	81.98	68.42	133.99	235.22	568.21
Deletions	-	-	-	-	-	-	-
At 31 March 2017	-	165.69	225.09	400.65	376.81	949.75	2,117.99
Net Block at 31 March 2016	2,066.15	835.36	80.40	299.90	387.92	418.80	4,088.53
Net Block at 31 March 2017	2,066.15	1,295.92	39.65	295.25	511.26	486.35	4,694.58

12 INTANGIBLE ASSETS		INR In Lakhs	
	Particulars	Software	Total
Gross Block			
At 1 April 2015		78.71	78.71
Additions		30.39	30.39
Deletions		-	-
At 31 March 2016		109.10	109.10
Additions		25.61	25.61
Deletions		-	-
At 31 March 2017		134.71	134.71
Accumulated Amortisation			
At 1 April 2015		38.39	38.39
Charge for the year		17.30	17.30
Deletions		-	-
At 31 March 2016		55.69	55.69
Charge for the year		21.00	21.00
Deletions		-	-
At 31 March 2017		76.69	76.69
Net Block at 31 March 2016		53.41	53.41
Net Block at 31 March 2017		58.02	58.02

	31 Mar 2017	INR In Lakhs 31 Mar 2016
13 NON CURRENT INVESTMENTS		
(valued at cost, unless stated otherwise)		
Trade investments, unquoted:		
HLF Services Limited, an associate (22,950 (31 March 2016 : 22,950) equity shares of Rs.10/- each, fully paid up)	95.85	77.81
Investments in pass-through securities (refer note 28)	4,390.11	7,318.18
Investments in funds (refer note 28)	10,000.00	-
Trade investments, quoted:		
Investments in debentures (redeemable ; non convertible) (refer note 28)	41,914.32	4,341.67
	56,400.28	11,737.66
Details of equity accounted associate : 45.90% stake in HLF Services Limited		
(i) Cost of investment (including Goodwill of INR NIL) on consolidation	2.30	2.30
(ii) Share of profits	93.55	75.51
Total	95.85	77.81
Aggregate book value of unquoted investment in associate	95.85	77.81
Aggregate amount of quoted investments and market value (non-current):		
(i) Aggregate book value	41,914.32	4,341.67
(ii) Aggregate market value	41,914.32	4,341.67
Aggregate book value of unquoted investments (non-current)	14,485.96	7,395.99
	31 Mar 2017	31 Mar 2016
14 DEFERRED TAX ASSET (net)		
Deferred tax asset		
Contingency provision against standard assets	1,241.94	778.43
Provision against non-performing assets	4,748.31	2,580.49
Provision for employee benefits	86.59	66.92
Others	13.05	3.24
	6,089.89	3,429.08
Deferred tax liability		
Excess of depreciation / amortisation on fixed assets under income tax law over depreciation / amortisation as per books	12.65	16.78
Others	12.52	0.40
	25.17	17.18
Net deferred tax asset	6,064.72	3,411.90

15 LONG-TERM LOANS AND ADVANCES

INR In Lakhs

	Non-current portion		Current portion*	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Loan to customers (Considered good unless otherwise stated)				
Secured, considered good	649,304.34	523,742.00	299,436.29	195,905.33
Secured, considered doubtful	7,277.57	8,910.89	46,961.07	22,602.84
Unsecured, considered good	-	1,226.90	10,099.47	2,070.41
Unsecured, considered doubtful	3,882.09	-	1,530.47	115.39
Others				
Unsecured, considered good				
Prepaid expenses	7,362.05	4,767.09	6,396.61	3,993.98
Balance with government authorities	21.75	4.74	-	-
Security deposits	431.44	325.48	676.85	215.52
Accrued income on assigned contracts	-	649.06	694.06	-
Advance tax (net of provision for tax)	348.74	1,744.66	-	-
	668,627.98	541,370.82	365,794.82	224,903.47

* See note 19

16 OTHER NON CURRENT ASSETS

Bank deposits held as security (refer note 18)
(Cash collateral towards securitisation)

Interest accrued on deposits placed as cash collateral

	31 Mar 2017	31 Mar 2016
Bank deposits held as security (refer note 18) (Cash collateral towards securitisation)	2,703.42	11,632.58
Interest accrued on deposits placed as cash collateral	16.15	116.42
	2,719.57	11,749.00

	31 Mar 2017	INR In Lakhs 31 Mar 2016
17 CURRENT INVESTMENTS		
Current portion of long term investments		
Trade investments, unquoted:		
Investments in pass-through securities (refer note 28)	9,581.14	8,472.12
Trade investments, quoted:		
Investments in debentures (redeemable ; non convertible) (refer note 28)	12,317.38	17,939.19
	21,898.52	26,411.31
Aggregate amount of quoted current investments and market value:		
(i) Aggregate book value	12,317.38	17,939.19
(ii) Aggregate market value	12,317.38	17,939.19
Aggregate book value of unquoted current investments	9,581.14	8,472.12
Aggregate amount of quoted investments and market value (current and non-current):		
(i) Aggregate book value	54,231.70	22,280.86
(ii) Aggregate market value	54,231.70	22,280.86
Aggregate book value of unquoted investments (current and non-current)	24,067.10	15,868.11
18 CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash and cheques on hand	1,480.27	4,233.89
Balances with banks		
-In current accounts	1,315.85	4,777.76
-In deposit accounts (with original maturity of 3 Months or less)	-	-
Other bank balances	3,971.72	442.22
	6,767.84	9,453.87
Details of bank balances		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'cash and bank balances'	1,315.85	4,777.76
Bank deposits due to mature within 12 months from the reporting period included under 'other bank balances'	3,971.72	442.22
Bank deposits due to mature after 12 months from the reporting period included under 'other non current assets'	2,703.42	11,632.58

	31 Mar 2017	INR In Lakhs 31 Mar 2016
19 SHORT-TERM LOANS AND ADVANCES		
Loan to customers (Considered good unless otherwise stated)		
Secured, considered good *	299,436.29	194,861.57
Secured, considered doubtful *	46,961.07	22,602.84
Unsecured, considered good *	5,099.47	115.39
Unsecured, considered doubtful *	1,530.47	2,070.41
Dealer trade advances (Unsecured, considered good)	35,176.49	31,685.86
Unsecured considered good		
To parties other than related parties		
Prepaid expenses *	6,396.61	3,993.98
Accrued income on assigned contracts *	694.06	-
Balance with government authorities	496.95	86.49
Security deposits *	676.85	215.52
Advances to employees	111.18	97.42
Others	702.76	510.59
To related parties (Unsecured; Considered good)		
Dues from Ashok Leyland Limited (Holding Company)	-	6.73
Dues from Hinduja Energy (India) Limited (Fellow subsidiary)*	5,000.00	-
Dues from Gulf Ashley Motors Limited (Fellow subsidiary)	2,377.77	-
	404,659.97	256,246.80
* see note 15; represents current portion of long term loans and advances.		
20 OTHER CURRENT ASSETS		
To parties other than related parties		
<i>(Secured, considered good)</i>		
Repossessed assets	12,504.05	12,131.18
<i>(Unsecured, considered good)</i>		
Interest accrued on investments	1,141.46	106.56
Interest accrued on deposits placed as cash collateral	88.60	-
Others	2,484.65	3,177.84
To Unsecured, considered good related parties		
Dues from HLF Services Limited (Associate Company)	5,552.75	3,509.42
	21,771.51	18,925.00

	31 Mar 2017	31 Mar 2016
		INR In Lakhs
21 REVENUE FROM OPERATIONS		
Interest / finance income		
- on loan to customers	133,660.76	97,800.86
- on fixed deposits	573.21	893.54
- on investment in pass through securities	1,680.63	965.27
- on investment in debentures	3,127.91	3,256.83
Other operating income		
Service charges	2,494.54	2,530.45
Documentation charges	718.00	560.68
Other charges	3,722.41	3,092.69
Bad debts recovered	599.91	871.09
Income from other services	4,533.75	4,678.07
	151,111.12	114,649.48
22 EMPLOYEE BENEFIT EXPENSE		
Salaries, allowances and incentives	5,920.73	4,446.19
Share based payment expense	137.67	99.01
Contribution to provident and other funds	312.19	187.40
Staff welfare expenses	171.72	88.46
	6,542.31	4,821.06
23 FINANCE COST		
Interest on		
- Term loans	44,822.29	32,351.61
- Subordinated redeemable non-convertible debentures	7,536.29	4,353.08
- Redeemable non-convertible debentures	24,898.87	19,389.76
- Cash credit/ working capital demand loans	4,039.63	5,927.48
Amortisation of discount on commercial papers	2,728.56	-
Other finance charges		
- Amortisation of processing fees	604.69	431.55
	84,630.33	62,453.48

	INR In Lakhs	
	31 Mar 2017	31 Mar 2016
24 PROVISIONS AND WRITE OFF		
Loss on repossessed contracts	10,593.75	10,585.06
Provision for non-performing assets and contingency provision against standard assets	9,907.91	3,496.97
Bad debts written off	302.11	1,262.46
	20,803.77	15,344.49
25 OTHER EXPENSES		
Service provider and sourcing expenses	5,868.92	4,039.76
Rent	714.03	652.80
Insurance	168.70	91.69
Electricity charges	166.22	130.09
Communication expenses	442.45	367.09
Documentation charges	313.87	324.27
Legal and professional charges	1,645.79	745.05
Rates and taxes	171.67	70.75
Office maintenance	386.67	557.07
Bank charges	268.62	238.14
Printing and stationery	328.51	244.12
Travelling and conveyance	586.24	533.83
Meeting and conference expenses	103.66	53.23
Sitting fees to directors	79.07	27.10
Other expenses	1,012.57	927.82
	12,256.99	9,002.81
* includes payment to auditors		
As auditor:		
Statutory audit	27.00	21.00
Tax audit	2.00	1.00
Limited review of half yearly results	4.00	4.00
Consolidation	5.00	5.00
In other capacity:		
Certification	5.00	4.00
Other services	10.50	2.50
Reimbursement of expenses	4.14	1.63
	57.64	39.13

	INR In Lakhs	
	31 Mar 2017	31 Mar 2016
26 EXCEPTIONAL ITEMS		
Expenses incurred in relation to filings with SEBI	310.00	-
	310.00	-
The Company had incurred costs towards filing of its draft red herring prospectus with SEBI. The Company has charged off such costs to the Income Statement		
27 EARNINGS PER SHARE		
Net profit for calculation of basic/ dilutive EPS	16,953.68	15,030.56
Equity shares (nominal value of INR 10/- each)		
Weighted average number of equity shares outstanding for calculation of basic EPS	387,786,769	373,712,912
Effect of dilutive potential equity shares		
Employee stock options	813,418	465,653
Weighted average number of equity shares outstanding for calculation of dilutive EPS	388,600,187	374,178,565
Earnings per Share (INR)		
- Basic	4.37	3.97
- Diluted	4.36	3.97

	Face value (In Lakhs)	As at 31 March 2017				As at 31 March 2016			
		Units	Non-current	Current	Total	Units	Non-current	Current	Total
28 DETAILS OF INVESTMENTS									
A. Debentures									
Belstar Investment and Finance Private Limited	10	400	2,666.67	1,333.33	4,000.00	-	-	-	-
Muthoot Microfin Limited	10	400	4,000.00	-	4,000.00	-	-	-	-
Suryoday Micro Finance Limited	10	400	4,000.00	-	4,000.00	160	600.00	600.00	600.00
Utkarsh Micro finance Limited	10	400	4,000.00	-	4,000.00	-	-	-	-
Asirvad Microfinance Private Limited	10	380	3,800.00	-	3,800.00	205	633.33	633.33	633.33
Annapura Microfinance Private Limited	10	460	3,500.00	137.50	3,637.50	260	1,112.50	1,250.00	1,250.00
Arohan Financial Services Private Limited	10	350	3,500.00	-	3,500.00	250	1,062.50	1,062.50	1,062.50
Five-Star Business Finance Limited	10	300	3,000.00	-	3,000.00	-	-	-	-
Sonata Finance Private Limited	10	300	3,000.00	-	3,000.00	265	941.67	941.67	941.67
Disha Microfin Limited	10	250	2,500.00	-	2,500.00	200	1,000.00	1,000.00	1,000.00
Satin Creditcare Network Limited	10	250	2,500.00	-	2,500.00	229	673.33	673.33	673.33
S.M.I.L.E. Microfinance Limited	10	250	1,291.67	1,000.00	2,291.67	-	-	-	-
ASA International India Microfinance Ltd.	10	200	1,500.00	500.00	2,000.00	-	-	-	-
Intrepid Finance And Leasing Private Limited	10	365	437.50	1,495.83	1,933.33	365	745.83	1,825.00	2,570.83
Zen Lefin Private Limited	10	250	604.17	1,250.00	1,854.17	-	-	-	-
Svasti Microfinance Private Limited	10	275	385.42	1,333.33	1,718.75	100	458.34	500.00	958.34
Pudhuaru Financial Services Private Limited	10	300	458.33	1,250.00	1,708.33	350	250.00	1,229.17	1,479.17
Pahal Financial Services Private Limited	10	300	301.81	1,225.73	1,527.54	350	708.33	1,750.00	2,458.33
Samasta Microfinance Private Limited	10	200	166.67	958.33	1,125.00	100	458.34	500.00	958.34
Lendingkart Finance Limited (Formerly Known As Aadri Infin Limited)	10	125	302.08	625.00	927.08	-	-	-	-
Saija Finance Private Limited	10	320	-	858.33	858.33	320	858.33	1,600.00	2,458.33
Chaitanya India Fin Credit Private Limited	10	100	-	125.00	125.00	175	125.00	625.00	750.00
M Power Microfinance Private Limited	10	100	-	125.00	125.00	170	125.00	616.67	741.67

	As at 31 March 2017				As at 31 March 2016			INR In Lakhs		
	Face value (In Lakhs)	Units	Non-current	Current	Total	Units	Non-current		Current	Total
A. Debentures										
Fusion Microfinance Private Limited	10	80	-	100.00	100.00	308	100.00	1,071.67	1,171.67	
Grama Vidyal Micro Finance Limited	10	-	-	-	-	374	375.00	1,415.00	1,790.00	
Sahayog Microfinance Limited	10	-	-	-	-	54	-	90.00	90.00	
SV Credit Line Private Limited	10	-	-	-	-	140	-	525.00	525.00	
Annapurna Microfinance Private Limited	5	-	-	-	-	90	-	18.75	18.75	
Arohan Financial Services Private Limited	5	-	-	-	-	90	-	18.75	18.75	
Asirvad Microfinance Private Ltd	5	-	-	-	-	54	-	11.25	11.25	
Disha Microfin Private Ltd	5	-	-	-	-	80	-	16.67	16.67	
Future Financial Service Limited	5	-	-	-	-	90	-	18.75	18.75	
India School Finance Company Pvt. Ltd	5	-	-	-	-	62	-	12.92	12.92	
Pahal Financial Services Private Ltd	5	-	-	-	-	90	-	18.75	18.75	
Suryoday Microfinance Private Limited	5	-	-	-	-	108	-	22.50	22.50	
SV Credit Line Private Limited	5	-	-	-	-	81	-	16.88	16.88	
Svasti Microfinance Pvt Ltd	5	-	-	-	-	-	-	-	-	
Intrepid Finance and Leasing Private Ltd	5	-	-	-	-	63	-	13.13	13.13	
			41,914.32	12,317.38	54,231.70		4,341.67	17,939.19	22,280.86	

	Face value (In Lakhs)	As at 31 March 2017				As at 31 March 2016				INR In Lakhs
		Units	Non-current	Current	Total	Units	Non-current	Current	Total	
B. Pass-through securities										
Taurus CV Trust March 2017		180	1,064.19	736.18	1,800.37	-	-	-	-	-
Icharus IFMR Capital 2016		166,561,747	-	1,726.04	1,726.04	166,561,747	1,689.54	3,307.32	4,996.86	
Iamus SBL IFMR Capital 2016		229,445,426	772.91	595.07	1,367.98	-	-	-	-	-
Ezra SBL IFMR Capital 2017		110,000,000	888.98	211.02	1,100.00	-	-	-	-	-
Inguz SBL IFMR Capital 2016		115,000,000	634.62	359.78	994.40	-	-	-	-	-
Scofield SBL IFMR Capital 2017		90,430,058	58.34	667.51	725.85	-	-	-	-	-
Moses IFMR Capital 2016		70,073,574	-	700.74	700.74	-	-	-	-	-
Fioritura IFMR Capital 2016		8,592,487	-	601.47	601.47	8,592,487	601.47	-	601.47	
Quail CV IFMR Capital 2016		4,491,369	-	538.96	538.96	-	-	-	-	-
IFMR Capital Mosec Harv 2017		60,000,000	191.90	346.82	538.72	-	-	-	-	-
Jupiter SBL IFMR Capital 2017		50,000,000	255.12	244.88	500.00	-	-	-	-	-
Astraea SBL IFMR Capital 2015		23,371,631	194.60	272.83	467.43	23,371,631	467.43	-	467.43	
IFMR Capital Mosec Arcturus 2016		21,707,503	-	434.15	434.15	21,707,503	434.15	-	434.15	
Techno SBL IFMR Capital 2015		221,327	184.48	248.30	432.78	221,327	585.13	292.81	877.94	
Golani SBL IFMR Capital 2015		8,401,526	144.97	225.44	370.41	8,401,526	436.81	174.27	611.08	
Mithras IFMR Capital 2015		28,893,349	-	288.93	288.93	28,893,349	288.93	-	288.93	
Summanus IFMR Capital 2016		26,103,031	-	261.03	261.03	26,103,031	261.03	-	261.03	
Corus IFMR Capital 2016		467,959	-	248.02	248.02	-	-	-	-	-
Vediovis IFMR Capital 2016		115,732,273	-	233.73	233.73	19,441	180.47	976.86	1,157.33	
IFMR Capital Mosec Nile 2016		1,981,699	-	214.27	214.27	1,981,699	233.97	618.16	852.13	
IFMR Capital Mosec Spes 2015		13,647	-	201.40	201.40	13,647	-	220.13	220.13	
Kira IFMR Capital 2016		1,300,000	-	175.98	175.98	-	-	-	-	-
Anahita IFMR Capital 2014		113,455,224	-	19.23	19.23	113,455,224	-	306.37	306.37	
Nephtys SBL IFMR Capital 2014		30,800,000	-	16.88	16.88	30,800,000	31.28	66.35	97.63	
Hatten IFMR Capital 2016		101,508,037	-	12.48	12.48	-	-	-	-	-

	As at 31 March 2017			As at 31 March 2016			INR In Lakhs			
	Face value (In Lakhs)	Units	Non-current	Current	Total	Units		Non-current	Current	Total
B. Pass-through securities										
Aurelius IFMR Capital 2016	-	-	-	-	-	52,699,306	2,107.97	-	2,107.97	
Comus IFMR Capital 2015	-	-	-	-	-	926,701	-	305.81	305.81	
Delphin IFMR Capital 2015	-	-	-	-	-	2,596,681	-	259.67	259.67	
IFMR Capital Mosec Aragorn 2015	-	-	-	-	-	548,997	-	108.18	108.18	
Mosec Boreas 2015 IFMR Capital	-	-	-	-	-	1,086,637	-	597.65	597.65	
IFMR Capital Sbi Mosec I	-	-	-	-	-	177,313,410	-	244.56	244.56	
Maximus SBL IFMR Capital 2015	-	-	-	-	-	45,000,000	-	241.26	241.26	
Olorun SBL IFMR Capital 2015	-	-	-	-	-	2,742,587	-	752.72	752.72	
			4,390.11	9,581.14	13,971.25		7,318.18	8,472.12	15,790.30	
C. Investments in Funds										
IFMR FImpact Medium Term Microfinance Fund	1,930	2,000.00	-	-	2,000.00	-	-	-	-	
IFMR FImpact Long Term Credit Fund	3,986	4,000.00	-	-	4,000.00	-	-	-	-	
IFMR FImpact Medium Term Opportunities Fund	4,000	4,000.00	-	-	4,000.00	-	-	-	-	
		10,000.00	-	-	10,000.00					
Total (A+B+C)		56,304.43	21,898.52	78,202.95			11,659.85	26,411.31	38,071.16	

Note 1: To the extent that the debentures are redeemable within 12 months of the reporting date, the amount has been presented as part of current investments. The balance has been presented as non-current investments. The tenure of these debentures ranges from 24 to 48 months. The interest rate on the investment in debentures ranges from 11.00% to 13.50% p.a..

Note 2: The investments in pass through certificates redeemable over the next 12 months from the balance sheet date have been classified as current investments. The balance amount has been presented as non-current investments.

Note 3: The investments in funds of INR 10,000 lakhs are redeemable on maturity and the interest rate ranges from 12.44% to 12.50%. The tenure of the investment ranges from is 3 to 10 years.

29 EMPLOYEE STOCK OPTION

During the year 2013-14, 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 as determined by the Nomination and Remuneration Committee at the date of grant).

In addition, during the current year, the Company has granted second phase of options to its employees under ESOP Scheme. The options granted entitle the employees to purchase equity shares at an exercise price of INR 54.40/- per option as determined by the Nomination and Remuneration Committee.

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
Grant date	26 March 2014	10 November 2016
At the end of one year of service from grant date	20%	20%
At the end of two years	20%	20%
At the end of three years	30%	30%
At the end of four years	30%	30%

Share based payment expense

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

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Share based payment expense:		
Total expense recognised in ‘employee benefits’	137.67	99.01

Reconciliation of outstanding options

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

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at beginning of the year	2,304,000	15.53	2,825,000	15.28
Granted during the year	1,190,000	54.40	-	-
Forfeited during the year	-	-	20,000	27.95
Exercised during the year	1,733,000	11.38	501,000	13.62
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,761,000	45.88	2,304,000	15.53

INR In Lakhs

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

Particulars	Year ended 31 March 2017			Year ended 31 March 2016		
	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	1,761,000	INR/- 27.95 to 54.40	1 – 4 years	2,304,000	INR/- 10 to 37.95	2 years

The Company measures the compensation cost relating to the stock option using the intrinsic value method. The compensation cost is amortised over the vesting period of the stock option. The Company has accounted for the Employee stock options granted as per 'The Guidance Note on Employee Share Based Payments', issued by The Institute of Chartered Accountants of India. Accordingly, the Company has amortised an amount of INR 137.67 towards stock compensation expense for the year ended 31 March 2017 (INR 99.01 for the year ended 31 March 2016).

Had the compensation cost for the options been recognised based on the fair value at the date of grant in accordance with Black Scholes' model, the proforma amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Net profit as reported	16,953.68	15,030.56
Add: Employee compensation expense as per intrinsic value method	137.67	99.10
Less: Employee compensation expense as per fair value method	(157.38)	(122.32)
Adjusted proforma net profit after tax	16,933.97	15,007.34
Basic EPS as reported	4.37	3.97
Basic EPS as proforma	4.37	3.96
Diluted EPS as reported	4.36	3.97
Diluted EPS as proforma	4.36	3.96

For the purposes of the proforma disclosure, the estimated grant-date fair value of stock options granted under the ESOP Scheme is INR/- 34.82 for options granted on 10 November 2016 and INR/- 0.15 to INR/- 20.64 for options granted on 26 March 2014.

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

Grant date	26 March 2014	10 November 2016
Value of the share at the grant date	27.95	79.00
Exercise price	INR/- 10 to 37.95	INR/- 54.40
Expected volatility	0.00%	0.00%
Expected dividends	0.00%	0.00%
Risk-free interest rate (based on government bonds)	8.00%	6.88%
Expected life	4 years	4 years

INR in Lakhs

30 EMPLOYEE BENEFIT – POST EMPLOYMENT BENEFIT PLAN

Gratuity benefit plan

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet.

Particulars	31 March 2017	31 March 2016
Present value of obligations	169.57	139.27
Fair value of plan assets	115.23	107.81
Asset/ (Liability) recognised in the Balance Sheet	(54.34)	(31.46)
Classification into current and non-current:		
Current (refer note 7)	(48.36)	(31.46)
Non-current (refer note 7)	(5.98)	-

Movement in present values of defined benefit obligations

Particulars	31 March 2017	31 March 2016
Defined benefit obligation at the beginning of the year	139.27	107.12
Current service cost	63.95	50.86
Interest cost	11.31	8.32
Actuarial (gains) / losses	(44.96)	(23.40)
Benefits paid by the plan	-	(3.63)
Defined benefit obligation at the end of the year	169.57	139.27

Movement in fair value of plan assets

Particulars	31 March 2017	31 March 2016
Fair value of plan assets at the beginning of the year	107.81	60.75
Contributions paid into the plan	-	46.37
Benefits paid by the plan	-	(3.63)
Expected return on plan assets	7.42	6.57
Actuarial (losses) / gains	-	(2.25)
Fair value of plan assets at the end of the year	115.23	107.81

Expense recognised in the statement of profit or loss

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Current service cost	63.95	50.86
Interest on obligation	11.31	8.32
Expected return on plan assets	(7.42)	(6.57)
Net actuarial (gain)/ loss recognised in the year	(44.96)	(21.15)
Total	22.88	31.46

INR in Lakhs

Actuarial assumptions

Particulars	31 March 2017	31 March 2016
Discount rate	6.88%	8.12%
Estimated rate of return on plan assets	6.88%	8.00%
Attrition rate	16.00%	16.00%
Future salary increases	12.00%	12.00%
Retirement age	58 years	58 years

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

Five year information

Gratuity	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation	169.57	139.27	107.12	56.76	30.26
Fair value of plan assets	115.23	107.81	60.75	43.39	39.81
Deficit in plan	54.34	31.46	46.37	13.37	(9.55)
Experience adjustments on plan liabilities	(44.96)	(23.40)	(2.23)	(2.83)	(28.24)
Experience adjustments on plan assets	-	(2.25)	(1.09)	(0.40)	(0.27)

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 312.19 (previous year INR 187.40)

**31 DISCLOSURE RELATING TO CERTAIN PROVISIONS
(AS PER AS 29 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS)**

Particulars	As at 1 April 2016	Additional provision	Utilization/ Reversal	As at 31 March 2017
Provision for standard assets	2,252.86	1,467.17	123.40	3,596.63
Provision for non-performing assets	7,456.35	10,331.11	1,766.96	16,020.50

Provision for standard assets

The Company recognizes contingency provision on standard assets at 0.35% as prescribed under the Framework.

Hinduja Housing Finance Limited recognizes contingency provision on standard assets at 0.40 % on outstanding standard assets in line with notification no.NHB.HFC.DIR.3/CMD/2011 issued by National Housing Bank.

INR in Lakhs

Provision for non-performing asset

The Company classifies non-performing assets (NPA) at 120 days overdue and is in compliance with the requirement for the financial year ended 31 March 2017 as prescribed in the Framework.

The Subsidiary company classifies non-performing assets (NPA) at 90 days overdue and is in compliance with the requirement for the financial year ended 31 March 2017 as prescribed in NHB guidelines.

32 SEGMENT REPORTING

The Company is engaged in the business of financing assets (mainly vehicles) and related activities. Further, the Company does not have any separate geographic segments other than India. There are no separate reportable segments as per AS 17 (Segment Reporting).

33 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2017	31 March 2016
Claims against the Company not acknowledged as debts: Value added taxes [bank guarantee provided against the claim INR 69.59 (Previous Year : 73.59)]	58.51	128.12
Bank guarantee against securitisation transactions	3,124.00	-

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.

34 RELATED PARTY DISCLOSURES

Name of the related parties and nature of relationship

Holding company/ Ultimate Holding Company	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Hinduja Housing Finance Limited ("HHF")
Associate company	<ul style="list-style-type: none"> • HLF Services Limited ("HSL")
Fellow subsidiary	<ul style="list-style-type: none"> • Hinduja Energy (India) Limited • Gulf Ashley Motors Limited

INR in Lakhs

Related party transactions

Nature of transaction	Holding company (ALL)	Associate (HSL)	Fellow subsidiary	KMP
Salaries and allowances (see note below)	-	-	-	556.00 (528.89)
Inter-corporate deposits /advances given	-	-	25,000.00 * (5,000.00)	-
Repayments towards inter-corporate deposit / advances	-	-	20,000.00 * (5,000.00)	-
Advance given (Gulf Ashley Motors Limited)	-	-	9,517.25 (-)	-
Repayments towards trade advance (Gulf Ashley Motors Limited)	-	-	7,139.48 (-)	-
Interest on loan to customers	19.38 (28.79)	- -	583.56* (43.39)	- -
Purchase of services including tax:				
a. Service provider fee	- -	5,441.68 (3,204.05)	- -	- -
b. Sourcing / marketing expenses	- -	454.07 (857.36)	- -	- -
Income from other services	- (9.81)	3,187.48 (2,040.11)	- -	- -
Number of equity shares allotted on exercise of options	-	-	-	1,640,000 (440,000)

* Transactions with Hinduja Energy (India) Limited.

Year end balances

Particulars	Holding company (ALL)	Associate (HSL)	Fellow subsidiary	KMP
Amounts due from related parties as at end of the year	- (6.73)	5,531.13 (3,509.42)	7,377.77# -	- -

#year-end balance of dealer trade advance receivable from Gulf Ashley Motors Limited (INR 2,377.77) and outstanding Inter corporate deposits INR 5,000 from Hinduja Energy (India) Limited.

Figures in bracket represent previous year figures.

Note: Salaries and allowances include stock compensation expense of INR 90 (31 March 2016: INR 99.01). As the future liabilities of gratuity and compensated absence are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key managerial person is not ascertainable separately and therefore not included above.

INR in Lakhs

35 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 714.03 (31 Mar 2016: INR 652.80).

36 CORPORATE SOCIAL RESPONSIBILITY (“CSR”) EXPENDITURE

During the year, the Company has incurred an amount of INR 110 towards corporate social responsibility expenditure. Such expenditure has been classified under the following head under other expenses (refer note 25).

Particulars	31 March 2017	31 March 2016
Other expenses – For purposes other than construction/ acquisition of any asset	110.00	150.00

37 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below

Details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 30 December 2016

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016#	1,378.10	45.33	1,423.43
Add : Permitted receipts **	1,320.81	11,276.41	12,597.22
Less : Permitted payments	-	-	-
Less : Amount deposited in banks	2,698.91	10,160.16	12,859.07
Closing cash in hand as on December 30, 2016#	-	1,161.58	1,161.58

#Based on the daily cash register and petty cash summary statement maintained across the branches.

* For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

** Includes direct cash deposits made by the customers in Company's bank accounts vide RBI Circular No. DCM (Plg) No. 1226/10.27.00/2016-17 dated 08 November 2016 under Section 3(c)(v). Also includes withdrawal from bank.

INR in Lakhs

38 UTILISATION OF THE PROCEEDS OF RIGHTS ISSUE

During the current year, the company raised a sum of INR 25,046.40 through a rights issue of equity shares to fund the business of lending loans to customers. The proceeds have been utilised as follows:

Particulars	31 March 2017	31 March 2016
Proceeds from rights issue	25,046.40	-
Utilisation during the year – Loan to customers	(25,046.40)	-
Un-utilised amount at the end of the year	-	-

39 EXPENDITURE IN FOREIGN CURRENCY

	31 March 2017	31 March 2016
Legal and professional charges	66.92	-

40 SHARE OF INDIVIDUAL COMPANIES IN THE CONSOLIDATED NET ASSETS AND CONSOLIDATED PROFIT OR LESS

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

Particulars	31 March 2017		31 March 2016	
	%	Amount	%	Amount
Parent Hinduja Leyland Finance Limited	93.74%	130,682.28	98.52%	105,382.94
Subsidiary Hinduja Housing Finance Limited	6.20%	9,351.35	1.41%	1,506.54
Associate HLF Services Limited	0.06%	93.55	0.07%	75.51
Total	100.00%	149,300.98	100.00%	106,965.00

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

Particulars	31 March 2017		31 March 2016	
	%	Amount	%	Amount
Parent Hinduja Leyland Finance Limited	99.82%	16,752.82	99.81%	15,002.27
Subsidiary Hinduja Housing Finance Limited	1.07%	182.82	0.04%	6.54
Associate HLF Services Limited	0.11%	18.04	0.14%	21.75
Total	100.00%	16,953.68	100.00%	15,030.56

INR in Lakhs

41 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.

42 Previous year balances

Previous year balances have been regrouped wherever necessary to conform to current years' presentation.

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

Ashish Gupta
Partner
Membership No: 215165

Place : Chennai
Date : 23rd May, 2017

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

Dheeraj G Hinduja
Chairman
DIN No : 00133410

G Vijayakumar
Chief Financial Officer

Place : Chennai
Date : 23rd May, 2017

S Nagarajan
Executive Vice Chairman
DIN No : 00009236

J Meenakshi
Company Secretary

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 * 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 * 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 * Bhadravati * Bhandara * Bhanpuri * Bhatapara * Bhilai * Bhimadole * Bidhni * Bilaspur-Cg * Bina * Birgaon * Birra * Bishrampur * 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 * Kharbone * 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 * Pithampur * 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 * Brahmipur * 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 * Sahara * 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 * Bhadrashwar * 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 * Devgad Baria * Dhandhuka * Dhanera * Dhansura * Dharampur *



BUSINESS LOCATIONS (Contd...)

Dharmaj * Dholka * 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 * Mahemdbad * Mahendra Nagar * Mahesana * Mahidha * Mahua * Mahudha * Makansar * Makarpura * Maliya Miyana * Maliyasan * Mandal * Mandvi * Mangrol * Mangrol * Maninagar * Maninagar * Manjalpur * Mansa * Matar * Matar * Mehvana * 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 * Shapur * Siddhapur * Sikka * Silvassa * Singapore * Sojitra * Sola * Surat * Surat Main * Surendranagar * Talaja * Tanakhala * Tandalja * Tankara * Tarapur * Tarapur * Tarsali * Thalfej * Tharad * Thasra * U M Road * Udhna * Umargam * Umargam * Umargam * 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 * Zankhva

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 * Hdokote * Honnali * 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 Gangothi * 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 * Vijapur * 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 * Kazhakkuttam * Kodungallur * Kollam * Kondotty * Konni * Koothattukulam * Kottakkal * Kottarakkara * Kottayam * Koyilandy * Kozencherry * Kundara * Kunnankulam * Kuttiyadi * Malappuram * Manjeri * Manjeshwar * Mannarkadu * Mavelikkara * Muvattupuzha * Nedumangadu * Neyyattinkara * 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



BUSINESS LOCATIONS (Contd...)

* Chakur * Chalisgaon * Chinchwad * Chopda * Dahisar * Daund * Degloor * Dhanu * Dhule * Dindori * Dombivali * Fulambri * Gangapur * Goa * Goti * Hadapsar * Hadgaon * Ichalkarniji * 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 * Shirampur * 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 * Parialkhemundi * 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 * Muksar * 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 * Sujargarh * Sumerpur * Suratgarh * Swai Madhopur * Tonk * Transport Nagar Jaipur * Udaipur

TAMILNADU * Aavudiyar Kovil * Adyar * Alanganallur * Alangayam * Alangudi * Alankulam * Ambasamudram * Ambattur * Ambur * Ammapet * Andipattai * Anna Nagar * Anna Salai * Annanagar * Annur * Arakonam * Aranthangi * Aravakurichi * Ariyalur * Arni * Arupukottai * 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 * Nagercoil * 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 * Suler * 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 * Vanadalar * 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 *



BUSINESS LOCATIONS (Contd..)

Guntakal * Hindupur * Hindupur * Huzurabad * Hyderabad * Jagityal * Jammikunta * Jangaon * Jannaram * Jogipet * Kadiri * Kalawakurthy * Kalayandurg * Kamareddy * Karimnagar * Kesamudram * Keshavapatnam * Khagaznagar * Khirthabad * Koilakuntla * Kompally * Kondapur * Korutla * Kosgi * Kukatpally * Kurnool * Lb Nagar * Luxettipet * Mahabubabad * Mahabubnagar * Mahubabad * Malkajiri * Mallepally * Mancherial * Medak * Medchal * Metpalli * Mydukur * Nagarkurnool * Nalgonda * Nandayal * Nandikotkur * Nandipet * Nandyal * Narasapur * Narayanpet * Narsampet * Nirmal * Nizamabad * Old City * Parigi * Parkal * Pattikonda * Pedapalli * Peddapalli * Penukonda * Porumamilla * Proddatur * Proddutur * 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 * Thorur * 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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