

HINDUJA LEYLAND FINANCE LIMITED

Registered Office: No.1 Sardar Patel Road, Guindy, Chennai - 600032

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

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SHELF DISCLOSURE DOCUMENT

PREPARED UNDER SCHEDULE I OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AND THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2012

ISSUE:

Shelf Disclosure Document for Private Placement of Non-Convertible Redeemable Rated Subordinated Debt in the nature of Debentures for cash at par aggregating upto Rs. 100.00 crores.

GENERAL RISKS:

For taking an investment decision, investors must rely on their own examination of the Issue and the Shelf Disclosure Document including the risks involved. The Issue has not been recommended or approved by Reserve Bank of India (RBI) nor Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Shelf Disclosure Document.

CREDIT RATING:

The Debentures are rated "AA-" (pronounced Single AA minus) by Credit Analysis and Research Limited (CARE) for Rs.100 crores. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc.

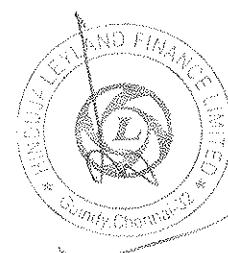
ISSUER'S ABSOLUTE RESPONSIBILITY:

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Shelf Disclosure Document contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Shelf Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING:

The Debentures are proposed to be listed on the Debt Segment of BSE Limited

REGISTRAR TO THE ISSUE	DEBENTURE TRUSTSEE
 <p>Integrated Enterprises (India) Ltd. 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017 Tel: + 91 44 2814 0801; Fax: +91 44 2814 2479</p> <p>Contact person: Mr. Suresh Babu Email: sureshbabu@iepindia.com Website: www.iepindia.com</p>	 <p>IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001</p> <p>Tel: +91 22 4080 7001; Fax: +91 22 6631 1776</p> <p>Contact Person: Mr. Naresh Sachwani Email: naresh.sachwani@idbitrustee.com Website: http://www.idbitrustee.co.in/</p>

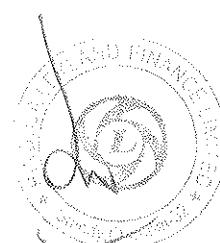


This schedule prepared in conformity with SEBI (Issue & Listing of Debt Securities) regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 6, 2008, SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012 and SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular No. LAD-NRO/GN/2013-14/43/207 dated January 31,2014 (referred in this document "SEBI guidelines") for private placement and is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the publicgenerally to subscribe for or otherwise acquire the debentures to be issued by the Issuer.



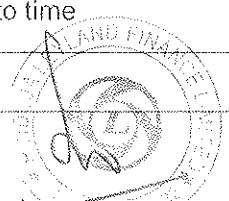
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1. DEFINITIONS AND ABBREVIATIONS

Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue
Allotment Intimation	An advice informing the allottee of the number of Debenture(s) allotted to him in electronic (dematerialised) form
Applicant(s) / Investor(s)	Any prospective applicant who is eligible to participate in this Issue and makes an application pursuant to the Shelf Disclosure Document and the Application Form.
Application Amount	An amount equal to the aggregate value of Debentures applied for to be paid by an Applicant at the time of making an Application.
Application Form	The form in which an investor can apply for subscription to the Debentures
Arranger	Such person(s)/entities as have been authorized by the Issuer for the marketing of the Issue.
Articles	Articles of Association of the Company
Board	Board of Directors of the Company or a Committee thereof
Company / Issuer / We/ Us	Hinduja Leyland Finance Limited having its Registered Office at No.1 Sardar Patel Road, Guindy, Chennai – 600032 and Corporate Office at 27-A, Developed Plot (South Phase), Industrial Estate, Guindy, Chennai - 600032
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification
Coupon Payment Date	Date of payment of interest on the Debentures
Credit Rating Agency/ Credit Rating Agencies	CARE or any other Rating Agency appointed from time to time
Date of Allotment(s)	The date on which allotment for the Issue is made, which shall be Deemed Date of Allotment(s)
Debenture Holder	The investors who are allotted Debentures
Debenture Trustee	Trustee for the Debenture holders, in this case being IDBI Trusteeship Services Limited
Debentures/Bonds/Debt Securities/NCDs	Non-Convertible Redeemable Rated Subordinated Debt Instruments in the nature of Debenture(s) of face value of Rs.10 Lakhs each aggregating upto Rs.100.00 crores to be issued by Hinduja Leyland Finance Limited .
Depository/ies	National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL)
DP	Depository Participant
FEMA Regulations	The Regulations framed by the RBI under the provisions of the Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI
I.T. Act	The Income-tax Act, 1961 as amended from time to time
ISIN	International Securities Identification Number



Issue	Issue of Non-Convertible Redeemable Rated Subordinated Debt Instruments in the nature of Debenture(s) on a Private Placement basis in one or more tranches at the Issuer's sole discretion.
Material Adverse Effect	<p>Means a material adverse effect on or a material adverse change (in the judgment of Debenture Trustee acting on the instructions of Majority Debenture Holders) in -</p> <p>(a) the business, operations, property, assets, condition (financial or otherwise) or prospects of the Issuer ;</p> <p>(b) the ability of the Issuer /Company to enter into and to perform its obligations under this Agreement or any other related document to which the Issuer /Company is or will be a party; or</p> <p>(c) the validity or enforceability of the Debenture Documents or any other related document or the rights or remedies of Debenture Holders thereunder; which in the opinion of Debenture Trustee (acting on the instructions of Majority Debenture Holders) could adversely affect the Debentures</p>
Memorandum / MoA	Memorandum of Association of the Company
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the FEMA Regulations.
RBI	The Reserve Bank of India
RBI Circular(s)	Circular no. DNBD (PD) CC No. 330 /03.10.001/2012-13 titled "Raising Money through Private Placement by NBFCs-Debentures etc" dated June 27, 2013 and Clarification bearing no. DNBS(PD) CC No.349/03.10.001/2013-14 dated July 2, 2013 by the Reserve Bank of India
Registrar/Registrar to the Issue	Registrar to the Issue, in this case being Integrated Enterprises (India) Limited
ROC	The Registrar of Companies, Chennai
RTGS	Real Time Gross Settlement, an electronic funds transfer facility provided by RBI
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Regulations/ Guidelines	The Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008 dated June 6, 2008 and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 dated October 12, 2012.
Shelf Disclosure Document	Shelf Disclosure Document dated June 25, 2017 for Private Placement of Non-Convertible Redeemable Rated Subordinated Debt Instruments in the nature of Debenture(s) of face value of Rs.10 Lakhs each for cash aggregating upto Rs. 100.00 Crores to be issued by Hinduja Leyland Finance Limited
Stock Exchange	BSE Limited ("BSE")
Subordinated Debt	Means an instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the Non-Banking Financial Company.



2. DISCLAIMER

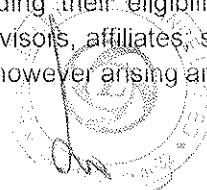
This Shelf Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in accordance with Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 6, 2008 and SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012 (referred in this document as "SEBI guidelines"). This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures proposed to be issued by **Hinduja Leyland Finance Limited** (the "Issuer" / the "Company"). The document is for the exclusive use of the institutions to whom it is delivered and it should not be circulated or distributed to third party(ies). The Company certifies that the disclosures made in this document are generally adequate and are in conformity with the captioned SEBI guidelines. This requirement is to facilitate investors to take an informed decision for making investment in the proposed Issue.

The Issue of Debentures, proposed to be listed on the Wholesale Debt Market Segment of the BSE Limited ("BSE"), is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. No offer or an invitation to an offer is being made to any persons, other than to those to whom an Application Form along with this Shelf Disclosure Document has been sent. The person to whom a copy of the Shelf Disclosure Document is addressed is alone entitled to apply for the Debentures. Any application by a person to whom the Shelf Disclosure Document, and the Application Form have not been sent by the Company or the Arranger, if any, shall be rejected without assigning any reason. The person who is in receipt of this Shelf Disclosure Document shall maintain utmost confidentiality regarding the contents of this Shelf Disclosure Document and shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents without the consent of the Issuer. Notwithstanding the foregoing, a Debenture Holder may provide this Shelf Disclosure Document to a potential investor for the sole purpose of transferring the Debentures. The Company shall comply with applicable provisions of circular no. DNBD (PD) CC No. 330 /03.10.001/2012-13 dated June 27, 2013 and Clarification bearing no. DNBS (PD) CC No.349/03.10.001/2013-14 dated July 2, 2013 by the Reserve Bank of India in issue of Debentures under this Shelf Disclosure Document.

Apart from the Shelf Disclosure Document, no offer document or prospectus has been prepared in connection with this Issue and no prospectus in relation to the Issuer or the Debentures relating to this offer has been delivered for registration nor is such a document required to be registered under the applicable laws.

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

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



DISCLAIMER OF THE SECURITIES AND EXCHANGE BOARD OF INDIA

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

DISCLAIMER OF THE ISSUER

The Issuer confirms that to the best of its knowledge and belief (and it has taken all reasonable care to ensure that such is the case) the information contained in this Shelf Disclosure Document is true and correct in all material respects and is not misleading in any material respect. All information considered adequate and relevant about the Issue and the Issuer Company has made available in this Shelf Disclosure Document for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever. The Issuer Company accepts no responsibility for statements made otherwise than in this Shelf Disclosure Document or any other material issued by or at the instance of the Issuer Company and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of this Shelf Disclosure Document has been submitted to BSE for hosting the same on its website. It is to be distinctly understood that such submission of the document with BSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on BSE; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer Company. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.



3. MANAGEMENT'S PERCEPTION OF RISK FACTORS

The Debentures are sophisticated instruments which involve a significant degree of risk and are intended for sale only to those investors capable of understanding the risks involved in such instruments. Investors should note that both the return on the Debentures and the return of the principal amount in full are at risk if the Debentures are not held till or for any reason have to be sold or redeemed before the Redemption Date. The Debentures are a principal protected product only upon maturity.

The Debentures are structured and are complex and an investment in such a structured product may involve a high risk of loss of a part of the initial investment as compared to investment in other securities unless held till redemption date. The investor shall receive at least the face value of the Debenture only if the investor holds and is able to hold the Debentures till the redemption date. Prior to investing in the Debentures, a prospective investor should ensure that such prospective investor understands the nature of all the risks associated with the investment in order to determine whether the investment is suitable for such prospective investor in light of such prospective investor's experience, objectives, financial position and other relevant circumstances. Prospective investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective investor considers necessary in order to make their own investment decisions.

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

CREDIT RISK

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

THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID

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

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

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

TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

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

ACCOUNTING CONSIDERATIONS

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

SECURITY MAY BE INSUFFICIENT TO REDEEM THE DEBENTURES

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



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

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

LEGALITY OF PURCHASE

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

POLITICAL AND ECONOMIC RISK IN INDIA

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

RISKS RELATED TO THE BUSINESS OF THE ISSUER

(a) The financial performance of the Company is vulnerable to interest rate volatility

The profitability of the Company is mainly dependent on the Net Interest Margins. The Company borrows both in floating and fixed interest rates. The Company is exposed to interest rate risks since the disbursements are generally made in fixed interest rates. Volatility in interest rates can materially and adversely affect our financial performance and cash flows. In a rising interest rate environment, if the yield on the interest-earning assets of the Company does not increase simultaneously with or to the same extent as cost of funds, or, in a declining interest rate environment, if the cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors. Rise in inflation, and consequent changes in Bank rates, Repo rates and Reverse Repo rates by the RBI has led to an increase in interest rates on loans provided by banks and financial institutions, and market interest rates in India have been volatile in recent periods.

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

Non-performing or low credit quality loans can negatively impact the operations of the Company. As of March 31, 2017, the summary of AUM is as under :

Asset Classification	On-book Loans & advances Outstanding (INR in Crores)	%
Standard Assets -- Other than NPA	13,473.64	95.76
Gross Non-Performing Assets – On book	596.51	4.24
Total	14070.15	100.00

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



- (c) We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans.
- As a security interest for the financing facilities provided by us to our customers, the vehicles purchased by our customers are hypothecated in our favour. The value of the vehicle, however, is subject to depreciation, deterioration, and/or reduction in value on account of other extraneous reasons, over the course of time. Consequently, the realizable value of the collateral for the credit facility provided by us, when liquidated, may be lower than the outstanding loan from such customers. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Furthermore, in the case of a default, we typically repossess the commercial vehicles financed and sell such vehicles through auctions. The hypothecated vehicles, being movable property, may be difficult to locate or seize in the event of any default by our customers. There can also be no assurance that we will be able to sell such vehicles provided as collateral at prices sufficient to cover the amounts under default. In addition, there may be delays associated with such process.
- A failure or delay to recover the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition, results of operations and/or cash flows. Furthermore, enforcing our legal rights by litigating against defaulting customers is generally a slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all. The recovery of monies from defaulting customers may be further compounded by the fact that we do not generally insist on, or receive post-dated cheques as security towards the timely repayment of dues from customers to whom we have provided loans. Further if we are unable to sell any repossessed vehicles provided as security for such loans, at commercially favourable prices, in a timely manner or at all, we may not recover the costs of maintaining such repossessed vehicles and our operations, cash flows and profitability could be adversely affected.

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

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

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

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

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

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

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



4. REGULATORY DISCLOSURES

1. LIST OF DOCUMENTS TO BE FILED WITH STOCK EXCHANGE

The Issuer shall file the following documents with the Stock Exchange along with listing application seeking listing of securities issued under this offer document:

- a) Memorandum and Articles of Association and necessary resolution(s) for the allotment of the debt securities
- b) Copy of last three years audited Annual Reports
- c) Statement containing particulars of, dates of, and parties to all material contracts and agreements
- d) Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories
- e) An undertaking from the issuer stating that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc. and the same would be uploaded on the website of the Designated Stock exchange, where the debt securities have been listed, within five working days of execution of the same
- f) Any other particulars or documents that the recognized stock exchange may call for as it deems fit
- g) An undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, where applicable, in favour of the trustees to the proposed issue has been obtained

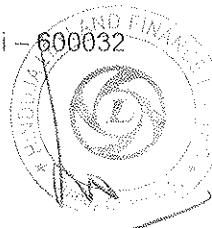
2. LIST OF DISCLOSURES TO BE SUBMITTED TO THE TRUSTEE

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

- a) Memorandum and Articles of Association and necessary resolution(s) for the allotment of the debt securities
- b) Copy of last three years' audited Annual Reports
- c) Statement containing particulars of, dates of, and parties to all material contracts and agreements
- d) Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (Profit & Loss statement, Balance Sheet and Cash Flow statement) and auditor qualifications , if any
- e) An undertaking to the effect that the Issuer would, till the redemption of the debt securities, submit the details mentioned in point (d) above to the Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result.
- f) Further, the Issuer shall submit information as required under Clause 1, Schedule 5 of the Debenture Trust Deed to the Trustee. The Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within two working days of their specific request. Further, the Trustee shall be obliged to share the Quarterly Trustee Report, under the provisions of Clause 5.3 of the Debenture Trust Deed, with the Debenture Holders.

5. ISSUER INFORMATION

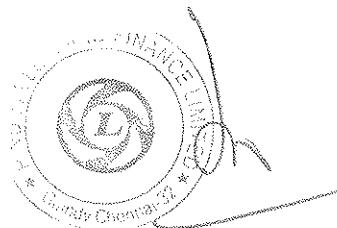
Particulars	Details
Registered Office of the Issuer	No.1 Sardar Patel Road, Guindy, Chennai – 600032
Corporate Office of the Issuer	27-A, Developed Industrial Estate, Guindy, Chennai – 600032
Compliance Officer of the Issuer	Ms. J Meenakshi 27-A, Developed Plot (South Phase), Industrial Estate, Guindy, Chennai – 600032 Tel:044-39252527 Email ID: srs@hindujaleylandfinance.com ; compliance@hindujaleylandfinance.com
Chief Finance Officer (CFO) of the Issuer	G Vijayakumar Chief Financial Officer 27-A, Developed Industrial Estate, Guindy, Chennai – 600032 Tel: 044-39252523



Particulars	Details
Trustee to the Issue	<p>IDBI Trusteeship Services Limited</p> <p>Address: Asian Building, Ground Floor, 17, R. KamaniMarg, Ballard Estate, Mumbai – 400 001</p> <p>Tel: 022 4080 7016</p> <p>Fax: 022 6631 1776</p> <p>Contact Person: Mr. Naresh Sachwani</p> <p>Email: naresh.sachwani@idbitrustee.com</p> <p>Website: http://www.idbitrustee.co.in/</p>
Registrar to the Issue	<p>Integrated Enterprises (India) Limited</p> <p>2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017</p> <p>Tel: + 91 44 2814 0801, Fax:+91 44 2814 2479</p> <p>Contact person: Mr. Suresh Babu</p> <p>Email:sureshbabu@iepindia.com</p> <p>Website: www.iepindia.com</p>
Credit Rating Agency (ies) of the Issue	<p>CREDIT ANALYSIS & RESEARCH LTD.</p> <p>4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022.</p>
Auditor(s) of the Issuer	<p>M/s B S R and Co LLP</p> <p>Chartered Accountants</p> <p>No. 10, Mahatma Gandhi Road</p> <p>Nungambakkam</p> <p>Chennai – 600034</p>

As per the Board Resolution passed by the Board at their meeting dated May 23, 2017, the following officials are authorized to issue the Shelf Disclosure Document:

Sr. No.	Name	Designation
1.	Mr. S Nagarajan	Executive Vice Chairman
2.	Mr. Sachin Pillai	Chief Executive Officer
3.	Mr. G. Vijayakumar	Chief Financial Officer



6. BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER

a) OVERVIEW

History of the Issuer

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

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

Business of the Issuer

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

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

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

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

- **De-duping**

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

- **Credit Scoring**

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

- **Integrated accounting**

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

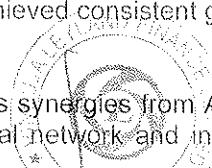
- **Reports**

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

Strengths

The core strengths of our business are:

- *Track record of business growth and consistent financial performance:* We have achieved consistent growth in our business and financial performance.
- *Synergy with ALL and parentage of the Hinduja group:* We derive certain business synergies from ALL. Our relationship with ALL assists us in sourcing customers, expanding our operational network and increasing

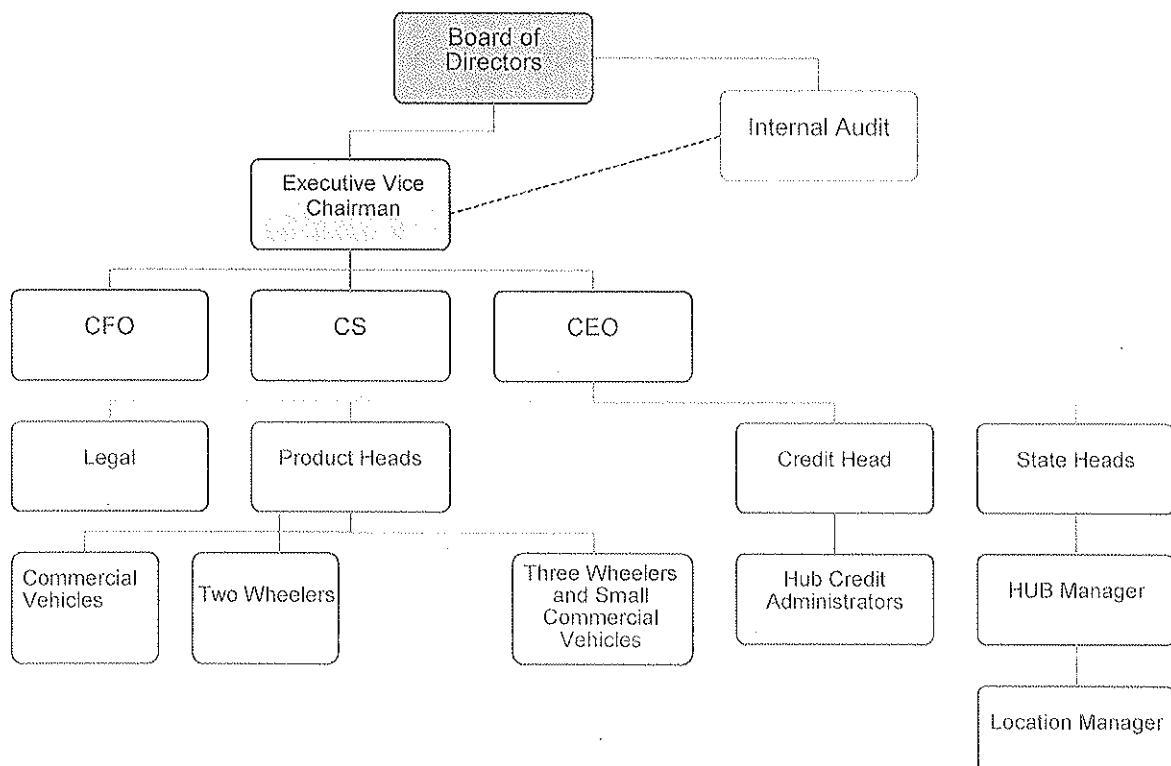


- *Experienced and proven leadership supported by a senior management team:* We believe that the expertise and industry knowledge of our senior management team has enabled us to accelerate the growth in our business. Our board of directors has experience across a broad range of disciplines.
- *Risk mitigation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

b) CORPORATE STRUCTURE

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

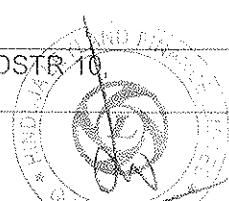
The following illustration sets out the organization structure:



c) BRIEF PARTICULARS OF THE MANAGEMENT OF THE COMPANY

Name, Designation and Occupation	Age (years)	DIN	Address
Mr. S. Nagarajan Designation: Whole Time Director & Executive Vice Chairman Occupation: Service	67	00009236	Flat No.3, Ashoka Terrace, 5B, Warren Road, Mylapore, Chennai 600 004, Tamil Nadu, India



Name, Designation and Occupation	Age (years)	DIN	Address
Mr. Dheeraj G Hinduja Designation: Non-executive Director Occupation: Industrialist	44	00133410	24, Carlton House Terrace, London SW1Y4TE, United Kingdom
Mr. Gopal Mahadevan Designation: Non-executive Director Occupation: Service	49	01746102	Abbotsbury, Flat 7C, Block I, 42 C P Ramaswamy Road, Alwarpet, Chennai 600 018, Tamil Nadu, India
Mr. Sudhanshu Tripathi Designation: Non-executive Director Occupation: Service	56	06431686	Great Eastern Gardens, F/503, 5th Floor, LBS Marg, Kanjurmarg (West), Mumbai 400 078, Maharashtra, India
Mr. Atul Kapur Designation: Nominee Director Occupation: Professional	52	01778935	21 Holland Park, Lien Towers, Singapore 249476
Mr. R. Sundaraman Designation: Independent Director Occupation: Service	73	00008172	Flat No.G229, Ushas Apartments, 16th Main Road, Jayanagar, 4th Block, Bangalore 560 011, Karnataka, India
Mr. R. S. Sharma Designation: Independent Director Occupation: Consultant	65	00013208	B3-1102, The World Spa (W), Sector 30, Gurgaon 122 001, Haryana, India
Mr. Debabrata Sarkar Designation: Independent Director Occupation: Consultant	62	02502618	Flat No. 701, Mayfair Boulevard (old Narayan Apartments), Main Avenue Road, Off Linking Road, Santacruz (West), Mumbai 400 054, Maharashtra, India
Ms. Bhumika Batra Designation: Independent Director Occupation: Professional	34	03502004	32, Mody Street, Fort, Mumbai 400 001, Maharashtra, India
Mr. Samir Bhatia Designation: Independent Director Occupation: Entrepreneur	52	01769655	301/303, 3rd Floor, Beaumonde Tower A, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India
Dr. Andreas Biagosch	61	06570499	IRMGARDSTR 10, 

Name, Designation and Occupation	Age (years)	DIN	Address
Designation: Independent Director			Munchen 81479
Occupation: Service			

7. SUMMARY OF BUSINESS / ACTIVITIES

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

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

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

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

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

8. CREDIT RATING

Bank Loan Ratings

In July 2017, CARE has reaffirmed the annual credit rating of long term bank facilities of the Company under Basel II for the Company and accorded "CARE AA-".

Month	Amount Rated (' in Crores)	Rating	Remarks
July, 2017	9,703	AA-	Reaffirmed

Commercial Paper

In July 2017, Credit Analysis & Research Limited has assigned credit rating of "CARE A1+" (CARE A One plus) to the Commercial Paper programme of the Company amounting to INR 750 Crores.

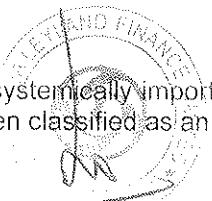
Non-Convertible Debentures

In August 2017 Credit Analysis & Research Limited (CARE Ratings) has assigned the credit rating of "CARE AA-" (read CARE Double A Minus) the issuance of Proposed Non-Convertible Debenture issue programme and the rated amount is INR 100 Crores. The rating letter issued by CARE Ratings for the non-convertible debentures is attached herewith as Annexure 3.

9. OPERATING MODEL OVERVIEW

Product Details:

The Company has been registered with the RBI since March 22, 2010 as a non-deposit taking systemically important NBFC under Section 45-IA of the Reserve Bank of India Act, 1934 and since May 2014 it has been classified as an



NBFC-Asset Finance Company. The Company's two principal business verticals are asset finance and housing finance. HLF operates the asset finance business while its wholly-owned subsidiary, Hinduja Housing Finance Limited, has received an operating license in September 2015 for housing finance business.

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

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

Our asset finance products include:

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

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

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

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

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

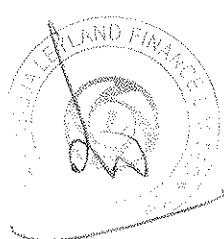
Construction Equipment : We finance the purchase of construction equipment used for road construction, mining and infrastructure projects. Our customers in this segment primarily include FTBs that are incidental to the infrastructure, predominantly in the construction of roads and mining sectors. We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

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

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

While most of the financing by the Company is for new vehicles, the Company does have a small portion of used vehicle finance portfolio. Used vehicle finance formed around 9.91% of the Total Company's Asset under management as of March 2016.

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



Particulars	Description
Date of Incorporation	12 th November 12, 2008
RBI Registration No.	N-07-00782
Corporate Identity Number	U65993TN2008PLC069837
Permanent Account Number	AACCH1807P
Constitution	Private limited Company operating as Systemically Important, Non-Deposit taking NBFC
Name of the Chief Functionary	Mr. S Nagarajan, Executive Vice Chairman
Financial Year	1 st April to 31 st March
Credit Rating	CARE A1+ from CARE CARE A+ from CARE
Registered Office	1, Sardar Patel Road, Guindy, Chennai 600 032, Tamil Nadu, India Tel: +91 44 3925 2525 Fax: +91 44 3925 2553 Website: http://www.hindujaleylandfinance.com Email ID: compliance@hindujaleylandfinance.com
Auditors	M/s B S R and Co LLP Chartered Accountants No. 10, Mahatma Gandhi Road Nungambakkam Chennai – 600034

b) CAPITAL STRUCTURE

(i) Details of Share Capital as on 30th June 2017

Share Capital	Rupees
Authorised Capital	
622,907,700 equity shares of Rs.10/- each	6,229,077,000
Total Authorised Capital	6,229,077,000
Issued, Subscribed and Paid Up Capital	
412,155,921 equity shares of Rs.10 each	4,227,240.220

(ii) Details of present offer

Particulars	Amount in INR Lakhs	Remarks
Size of the present offer	10,000	Issue of 1,000 rated, listed, unsecured, transferable, redeemable, non-convertible debentures of face value of INR 10 lakhs per debenture
Paid-up capital		
➤ After the offer	42272.40	Nil
➤ After conversion of convertible instruments (if applicable)	42272.40	Nil
Share Premium account		
➤ Before the offer	45531.32	Nil
➤ After the offer	45531.32	Nil

(iii) Details of changes in authorised capital structure as on 30 June 2017 and for the last five years

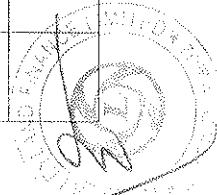
Date of Change (AGM/EGM)	Rupees Crores	Particulars
12-Nov-08	3.00	Company Incorporated with Authorised Share Capital of Rs. 3 Crores
24-Dec-09	2.00	Increase in Authorised Share Capital from Rs. 3 Crores to Rs 5 Crores
29-Mar-10	45.00	Increase in Authorised Share Capital from Rs 5 Crores to Rs 50 Crores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



Date of Change (AGM/EGM)	Rupees Crores	Particulars
23-Jul-10	50.00	Increase in Authorised Equity Share Capital from Rs. 75 Crores to Rs. 125 Crores
26-Nov-10	100.00	Increase in Authorised Equity Share Capital from Rs. 125 Crores to Rs. 225 Crores
22-Aug-11	100.00	Increase in Authorised Equity Share Capital from Rs. 225 Crores to Rs. 325 Crores
24-Jul-12	50.00	Increase in Authorised Equity Share Capital from Rs. 325 Crores to Rs. 375 Crores
1-Jul-13	247.91	Change in Equity Share Capital from Rs. 375 Crores to Rs. 435 Crores Creation of new class of shares (Preference Shares) for Rs. 187,90,77,000/-
23-Mar-16	-	Amendment in authorized share capital of the Company Rs. 622.90 Crores divided into 435,000,000 equity shares of ₹ 10 each and 50,000,000 fully paid up CCCPPS of ₹ 37.58154 each to Rs. 622.90 million divided into 622,907,700 equity shares of ₹ 10 each
Total	622.91	Authorized Share Capital as June 30, 2017

(iv) Details of Equity Share Capital History of the Company as on last quarter ended 30 June 2017 and for the last five years (Also, refer note below)

Date of allotment	No. of equity shares	Face Value (Rs)	Issue Price	Consideration (cash, other than cash, etc)	Nature of allotment	No of equity shares	Equity share capital (Rs.)	
12-Dec-08	50,000	10	10	Cash	Rights	50,000	500,000	
5-Mar-09	1,950,000	10	10	Cash	Rights	2,000,000	20,000,000	
15-May-09	500,000	10	10	Cash	Rights	2,500,000	25,000,000	
23-Feb-10	1,000,000	10	10	Cash	Rights	3,500,000	35,000,000	
6-Mar-10	1,500,000	10	10	Cash	Rights	5,000,000	50,000,000	
30-Mar-10	10,000,000	10	10	Cash	Rights	15,000,000	150,000,000	
31-Jul-10	60,000,000	10	10	Cash	Rights	75,000,000	750,000,000	
31-Jul-10	50,000,000	10	10	Cash	Pref Allotment	125,000,000	1,250,000,000	
28-Feb-11	100,000,000	10	10	Cash	Rights	225,000,000	2,250,000,000	
30-Sep-11	100,000,000	10	10	Cash	Rights	325,000,000	3,250,000,000	



Date of allotment	No. of equity shares	Face Value (Rs.)	Issue Price	Consideration (cash, other than cash, etc)	Nature of allotment			
						No of equity shares	Equity share capital (Rs.)	
1-Aug-13	5,321,762	10	37.58	Cash	Pref Allotment	330,321,762	3,303,217,620	
9-May-14	4,78,95,857	10	37.58	-	Conversion of Pref. Shares	37,82,17,619	378,21,76,190	
13-Aug-15	4,74,000	10	10,28	Cash	ESOP Allotment	37,86,91,619	378,69,16,190	
02-Nov-15	27,000	10	28	Cash	ESOP Allotment	37,87,18,619	378,71,86,190	
Dec 2016	3,34,37,302	10		Cash	Rights	41,21,55,921	412,15,59,210	
June 2017	10,568,101	10	94	Cash	Rights	42,27,24,022	422,72,40,220	

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

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

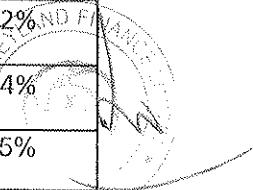
Nil

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

Type of Event	Date of Announcement	Date of Completion	Details
	Nil		

(vii) Details of the shareholding of the Company as on 30th June 2017

Name of Shareholder	Class of Shares	No of Shares	%
Ashok Leyland Limited	Equity	241,832,577	57.2%
IndusInd International Holdings Limited	Equity	82,834,683	19.6%
Everfin Holdings	Equity	59,130,688	14.0%
Hinduja Ventures Limited	Equity	22,113,959	5.2%
Aasia Corporation LLP	Equity	14,577,915	3.4%
Others	Equity	2,234,200	0.5%
Total Equity Shares		422,724,022	100.00%



None of the shares of the Company are pledged or encumbered by the Promoters.

(viii) List of Top 10 holders of equity shares of the Company as on 30th June 2017

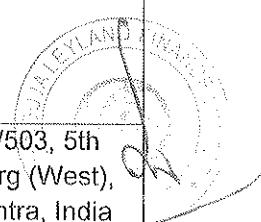
Name of Shareholder	Class of Shares	No of Shares	%
ASHOK LEYLAND LIMITED	Equity	241,832,577	57.2%
INDUSIND INTERNATIONAL HOLDINGS LTD	Equity	82,834,683	19.6%
EVERFIN HOLDINGS	Equity	59,130,688	14.0%
HINDUJA VENTURES LIMITED	Equity	22,113,959	5.2%
Aasia Corporation LLP	Equity	14,577,915	3.4%
Nagarajan Srinivasan	Equity	2,000,040	0.5%
Sachin Pillai	Equity	80,000	0.0%
Vijayakumar G	Equity	40,000	0.0%
Pramod Kumar	Equity	30,000	0.0%
Srikanth Manepalli	Equity	30,000	0.0%
Total Equity Shares		422,669,862	99.99%

*Formerly known as Aasia Corporation, converted into a limited liability partnership on February 3, 2016.

c) DETAILS REGARDING DIRECTORS OF THE COMPANY

(i) Details of Current directors of the Company*

Name, Designation and Occupation	Age (years)	DIN	Address
Mr. S. Nagarajan Designation: Whole Time Director and Executive Vice Chairman Occupation: Service	67	00009236	Flat No.3, Ashoka Terrace, 5B, Warren Road, Mylapore, Chennai 600 004, Tamil Nadu, India
Mr. Dheeraj G Hinduja Designation: Non-executive Director Occupation: Industrialist	44	00133410	24, Carlton House Terrace, London SW1Y4TE, United Kingdom
Mr. Gopal Mahadevan Designation: Non-executive Director Occupation: Service	49	01746102	Abbotsbury, Flat 7C, Block I, 42 C P Ramaswamy Road, Alwarpet, Chennai 600 018, Tamil Nadu, India
Mr. Sudhanshu Tripathi Designation: Non-executive Director	56	06431686	Great Eastern Gardens, F/503, 5th Floor, LBS Marg, Kanjurmarg (West), Mumbai 400 078, Maharashtra, India



Name, Designation and Occupation	Age (years)	DIN	Address
Occupation: Service			
Mr. Atul Kapur Designation: Nominee Director Occupation: Professional	52	01778935	21 Holland Park, Lien Towers, Singapore 249476
Mr. R. Sundararaman Designation: Independent Director Occupation: Service	73	00008172	Flat No.G229, Ushas Apartments, 16th Main Road, Jayanagar, 4th Block, Bangalore 560 011, Karnataka, India
Mr. R. S. Sharma Designation: Independent Director Occupation: Consultant	65	00013208	B3-1102, The World Spa (W), Sector 30, Gurgaon 122 001, Haryana, India
Mr. Debabrata Sarkar Designation: Independent Director Occupation: Consultant	62	02502618	Flat No. 701, Mayfair Boulevard (old Narayan Apartments), Main Avenue Road, Off Linking Road, Santacruz (West), Mumbai 400 054, Maharashtra, India
Ms. Bhumika Batra Designation: Independent Director Occupation: Professional	34	03502004	32, Mody Street, Fort, Mumbai 400 001, Maharashtra, India
Mr. Samir Bhatia Designation: Independent Director Occupation: Entrepreneur	52	01769655	301/303, 3rd Floor, Beaumonde Tower A, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India
Dr. Andreas Biagosch Designation: Independent Director Occupation: Service	61	06570499	IRMGARDSTR 10, Munchen 81479

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

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

Name of Director	Date of appointment	Date of cessation	Designation
Mr. Atul Kapur	August 1, 2013	-	Nominee Director
Mr. R. S. Sharma	December 19, 2014	-	Independent Director
Mr. T. Anantha Narayanan	July 23, 2014	-	Independent Director
Mr. Anil Harish	-	July 23, 2014	Independent Director



Name of Director	Date of appointment	Date of cessation	Designation
Mr. R. Sundaraman	July 23, 2014	-	Independent Director
Mr. Y. M. Kale	-	April 13, 2015	Non-executive Director
Mr. T. Anantha Narayanan	-	March 16, 2015	Independent Director
Mr.R.Seshasayee	-	June 12, 2015	Non-executive Director
Mr. R. Sundararaman	-	March 16, 2015	Independent Director
Mr. S. Solomon Raj	-	March 16, 2015	Director
Mr. Debabrata Sarkar	March 16, 2015	-	Independent Director
Mr. R. Sundararaman	April 15, 2015	-	Independent Director
Ms. Bhumika Batra	March 16, 2015	-	Independent Director
Mr. Gopal Mahadevan	March 16, 2015	-	Non-executive Director
Mr. Sudhanshu Tripathi	August 13, 2015	-	Non-executive Director
Mr. Samir Bhatia	August 13, 2015	-	Independent Director
Dr. Andreas Biagosch	November 10, 2016	-	Independent Director

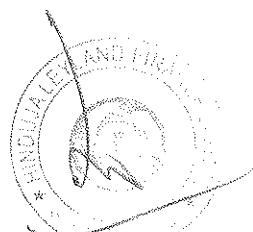
1. DETAILS REGARDING AUDITORS OF THE COMPANY

(i) Details of the auditor of the Company

Name	Address	Auditor since
M/s BSR &Co LLP Chartered Accountants	No. 10, Mahatma Gandhi Road Nungambakkam Chennai – 600034	23rd July, 2014

(ii) Details of change in auditor since last three years - None

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)	Remarks
M/s B S R and Associates	No. 10, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034	1 st July 2013	Not Applicable	



2. DETAILS OF BORROWINGS OF THE COMPANY, AS ON 31st March 2017

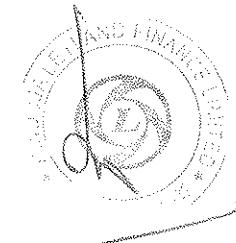
Name of the Bank	Loans outstanding	
	Term Loan	CC/WCDL
Allahabad Bank	66.67	11.83
Axis Bank	230.00	9.54
Bank of Baroda	1,694.33	(3.85)
Canara Bank	329.55	11.61
Central Bank of India	249.99	(2.18)
Deutsche Bank	66.67	5.50
Development Credit Bank Ltd	61.02	50.09
Federal Bank	116.67	21.45
HDFC Bank	376.06	57.20
ICICI Bank	142.86	87.04
IDBI Bank	160.00	-
Indian Bank	100.00	-
Kotak Mahindra Bank	94.51	0.81
OBC	399.94	3.06
SBH	87.50	-
State Bank of India	440.00	-
State Bank of Travancore	100.00	-
Syndicate Bank	166.66	-
Union Bank of India	525.00	6.50
United Bank Of India	227.78	-
Vijaya Bank	33.33	3.07
Citi Bank	-	99.00
Total	5,668.53	364.06

(i) Details of unsecured loan facilities

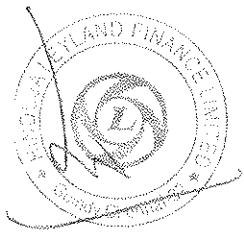
Sl. No	Lender's Name	Type of facility	Amount Sanctioned	Amount Outstanding	INR in Crores	
					Repayment Schedule	
			NIL			

(ii) Details of Non-Convertible Debentures

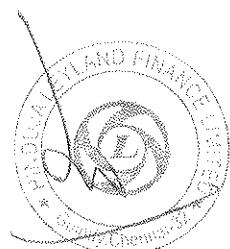
Debentu re Series Name	Tenor/ Period of maturity	Coup on	Amou nt	Date of Allotm ent	Redemptio n Date/ Schedule	Credit Rating	Secured/ unsecured	Security	INR in Crores
Series I	7 years	12.00 %	Rs. 25 crores	Februa ry 21, 2014	Bullet repayment on February 21, 2021	"A+" by India Ratings & "A+" by CARE	Unsecured /Sub Debt	Nil	



Debenture Series Name	Tenor/Period of maturity	Coupon	Amount	Date of Allotment	Redemption Date/Schedule	Credit Rating	Secured/unsecured	Security
Series II	7 years	12.00 %	Rs. 10 crores	March 28, 2014	Bullet repayment on March 28, 2021	"A+" by India Ratings & "A+" by CARE	Unsecured /Sub Debt	Nil
Series III	3 Years	10.50 %	Rs.30 0 crores	May 30, 2014	Bullet repayment on May 30, 2017	"A+" by India Ratings	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
Series IV	5 Years 5 months	12.40 %	Rs.11 0 crores	June 03, 2014	Bullet repayment on November 03, 2019	"A+" by India Ratings & "A+" by CARE	Unsecured /Sub Debt	Nil
Series V	5 Years 10 months	12.40 %	Rs.10 5 crores	June 03, 2014	Bullet repayment on April 03, 2020	"A+" by India Ratings & "A+" by CARE	Unsecured /Sub Debt	Nil
Series VI	5 Years 10 months	12.40 %	Rs.50 crores	June 26, 2014	Bullet repayment on April 26, 2020	"A+" by CARE	Unsecured /Sub Debt	Nil
Series VII	3 Years	10.70 %	Rs.25 0 crores	September 23, 2014	Bullet repayment on September 23, 2017	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.



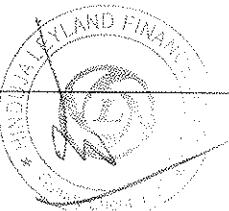
Debenture Series Name	Tenor/Period of maturity	Coupon	Amount	Date of Allotment	Redemption Date/Schedule	Credit Rating	Secured/unsecured	Security
Series VIII	3 Years 4 Years 5 Years	10.65 %	Rs. 250	February 16, 2015	February 16, 2018 February 16, 2019 February 16, 2020	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
Series IX	3 Years	10.50 %	Rs.100 crores	March 20, 2015	Bullet repayment on March 20, 2018	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
Series X	5 Years	Benchmark + Spread	Rs.500 crores	April 29, 2015 & May 15, 2015	Bullet repayment on April 20, 2020 & May 15, 2020	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.



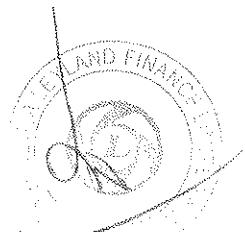
Debenture Series Name	Tenor/Period of maturity	Coup on	Amo unt	Date of Allot ment	Redemption Date/ Schedule	Credit Rating	Secured/unsecured	Security
Series XI	5 Years	Bench mark + Spread	Rs.250 crores	26 th June, 2015	26 th June, 2020	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
Series XII	3,4, & 5, Years	10.55 %	Rs.75 crores	29 th June, 2015	29 th June, 2018 28 th June, 2019 29 th June, 2020	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
Series XIII	3,4, & 5, Years	10.55 %	Rs.125 crores	13 th July 2015	13 th July, 2018 12 th July, 2019 13 th July, 2020	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
Series XIV	3,4, & 5, Years	10.55 %	Rs.100 crores	14 th August, 2015	14 th June, 2018 14 th June, 2019 12 th June, 2020	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.

Debenture Series Name	Tenor/Period of maturity	Coupon	Amount	Date of Allotment	Redemption Date/Schedule	Credit Rating	Secured/unsecured	Security
Series XV	5 Years 6 Months	11.50 %	Rs85 crores	30 th November, 2015	31 st May, 2021	"A+" by ICRA	Unsecured	Nil
Series XVI	5 Years 6 Months	11.40 %	Rs.35 crores	15 th December, 2015	15 th June, 2021	"A+" by ICRA	Unsecured	Nil
Series XVII	5 Years 6 Months	11.30 %	Rs.85 crores	20 th January, 2016	21 st July, 2021	"A+" by ICRA	Unsecured	Nil
Series XVIII	3 Years	10.30	Rs.50 crores	15 th February, 2016	12 th March, 2019	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
Series XIX	3 Years	10.25	Rs. 60 Crores	24 th May, 2016	15 th April 2019	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
Series XX	3 Years	10.25	Rs. 100 Crores	15 th June, 2016	14 th June, 2019	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110%

Debenture Series Name	Tenor/Period of maturity	Coupon	Amount	Date of Allotment	Redemption Date/Schedule	Credit Rating	Secured/unsecured	Security
								as per the terms of issue.
Series XXI	6 Years	11.10 %	Rs.180 Crores	23rd June, 2016	8th April, 2022	"A+" by CARE	Unsecured	Nil
Series XXII	5 Years	9.35	Rs. 200 Crores	21st July, 2016	21st July, 2021	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
Series XXIII	3 Years	10.00	Rs. 50 Crores	9th August, 2016	8th August, 2019	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
Series XXIV	3 Years	10.00	Rs. 100 Crores	31st August, 2016	31st August, 2019	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.



Debt Series Name	Tenor/ Period of maturity	Cou pon	Amo unt	Date of Allot ment	Redemptio n Date/ Schedule	Credit Rating	Secured/ unsecured	Security
Series XXV	5 Years	10.00	Rs. 100 Crore s	15 th Septem ber, 2016	13 th September, 2021	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
Series XXVI	3 Years 4 months	8.85	Rs. 50 Crore s	27 th Januar y 2017	13 th May 2020	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.
Series XXVII	3 Years	8.85	Rs. 50 Crore s	9 th Febru ary 2017	7 th February 2020	"A+" by CARE	Secured	Secured by first ranking mortgage of an immovable property in favour of trustees and in addition to specific assets by pari passu charge on hypothecation loan receivables with a security cover of 110% as per the terms of issue.



(iii) List of Top 10 debenture holders as on 31st March 2017

INR in Crores

Name of the Debenture Holder	Amount
Franklin Mutual Fund	13,55,00,00,000
BIRLA Mutual Fund	4,50,00,00,000
HDFC Mutual Fund	3,50,00,00,000
ICICI Mutual Fund	3,00,00,00,000
Reliance Mutual Fund	2,95,00,00,000
L&T Mutual Fund	2,00,00,00,000
Kotak mahindra Mutual Fund	1,50,00,00,000
DSP Black rock Mutual Fund	1,00,00,00,000
UTI Mutual Fund	75,00,00,000
AXIS Mutual Fund	50,00,00,000
Total	3,325,00,00,000

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

Nil

(v) Details of Commercial Paper

The total face value of commercial papers outstanding as on March 31 2017: NIL

(vi) Details of rest of the borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on March 31, 2017

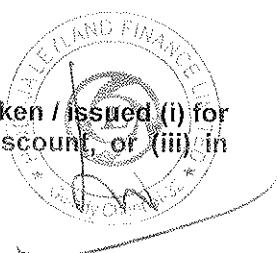
Party Name (In case of Facility) / Instrument Name	Type of Facility / Instrument	Credit Rating	Amount Sanctioned / Issued	Principal amount Outstanding	Repayment Date / Schedule	Secured / Unsecured	Security
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

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

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

Nil



3. Disclosure with regard to interest of Directors, Litigations, Remuneration, Related Party disclosures, etc.

- (i) Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.

Nil

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

Nil

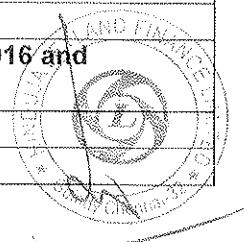
(iii) Remuneration of directors (during the current year and last three financial years)

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

Name of the Director	Year	Amount in Rs. Lakhs
		Remuneration (in Rs)
Mr. S Nagarajan	2013-14	176.00
	2014-15	171.23
	2015-16	293.04
	2016-17	366.00

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

Nature of transaction	2014-15	2015-16	2016-17	Amount in INR
Salaries and allowances to Key Managerial personnel				
Key Managerial Personnel	171.23	293.04	556.00	
Investments in equity shares				
Subsidiary	-	1500.00	7500	
Reimbursement of expenses				
-Subsidiary	-	15.95	161.20	
Interest/ finance income				
-Holding Company	-	28.79	19.38	
-Fellow Subsidiary	-	43.39	583.56	
Stock options issued				
-Key Managerial Personnel	2,000,000 options	-		
Purchase of services:				
a. Service provider fee				
-Associate	2999.21	3204.05	5441.68	
b.. Sourcing and marketing expenses				
- Associate	857.36	-	454.07	
Other operating income				
-Holding Company	-	9.81	-	
-Associate	1,818.19	2040.11	3187.48	
Amounts due from related parties as at 31 March 2017, (previous years : 31 March 2016 and 31 March 2015)				
-Holding Company	-	6.73	-	
-Associate	2,117.85	3509.42	5552.75	



(v) Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark.

Nil

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

Nil

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

Amount in Rs. Lakhs				
S No	Period of Occurrence	Amount Involved	Modus Operandi	Action Taken and Status of the case
1	2013-14	47.71	Customer Fraud	Case closed
2	2013-14	7.42	Employee defalcation	Under Investigation by the Company
3	2013-14	0.63	Employee defalcation	Under Investigation by the Company
4	2013-14	4.20	Customer Fraud	Case closed
5	2014-15	8.00	Employee defalcation	Under Investigation by the Company
6	2014-15	13.87	Employee defalcation	The Company had lodged a insurance claim and the survey is under progress
7	2015-16	23.00	Employee defalcation	The Company had lodged a insurance claim and the survey is under progress
8	2015-16	3.72	Employee defalcation	The Company had lodged a insurance claim and the survey is under progress
9	2015-16	135.40	Employee defalcation	The claim was filed by the Company on 30th April 2016 and the case is under investigation.
10	2015-16	12.00	Employee defalcation	The claim was filed by the Company on 30th April 2016 and the case is under investigation.

4. DETAILS OF PROMOTERS OF THE COMPANY

(i) Details of Promoter Holding in the Company as on the latest quarter ended, June 30, 2017

Sl. No.	Name of shareholder	Total no of equity shares	No. of shares in demat form	Total shareholding as on % of total no of shares	No of Shares Pledged	% of Shares pledged with respect to shares owned
1	Ashok Leyland Limited	241,832,577	241,832,577	57.21	Nil	Nil

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

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

Balance Sheet- Refer to Annexure 6

Statement of Profit and Loss Account- Refer to Annexure 6

Cash Flow Statement- Refer to Annexure 6

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

Audited (Standalone) Financial Results for the Year Ended 31st March 2017
Refer to Annexure 6

Auditor Qualifications, if any – Nil

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

Nil

(v) Details of the Trustee(s)

IDBI Trusteeship Services Limited is appointed as trustee for the issue of debentures under this offer document. They have given their consent to act as Trustee to the Issuer for their appointment as per sub regulation 4under regulation 4 of Securities Exchange and Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and in all the subsequent periodical communications sent to the holders of debt securities.

(vi) Credit Rating Rationale and Credit Rating Letter

Credit Rating Letter is enclosed in Annexure 3.

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

Not Applicable

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

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

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

On Wholesale Debt Market (WDM) segment of BSE Limited. The Issuer undertakes to get the Debentures listed within 20 days from the Deemed Date of Allotment. In case the Debentures are not listed within 20 days of Deemed Date of Allotment for any reason whatsoever, the Issuer shall be required to immediately redeem all the Debentures from the Debenture Holders along with the interest accrued from the date of issuance at the Interest Rate till the date of redemption.



A. NAME OF THE DEBENTURE TRUSTEE

The Company has appointed IDBI Trusteeship Services Limited, a SEBI approved Trust Management Company as the agent and trustees for and on behalf of the Debenture holders. The address and contact details of the Trustees are as under:

IDBI Trusteeship Services Limited

Address: Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001
Tel: +91 22 4080 7001 Mob: 09967404838
Fax: +91 22 6631 1776
Contact Person: Mr.Naresh Sachwani
Email: naresh.sachwani@idbitrustee.com
Website: <http://www.idbitrustee.co.in/>

B. CONSENT LETTER FROM THE TRUSTEE

IDBI Trusteeship Services Limited has given its consent to the Company under regulation 4 (4) of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 to be appointed as the Debenture Trustee to this Issue.

The consent letter dated August 24, 2017 is enclosed as Annexure 2 of this Shelf Disclosure Document.

Role and Responsibilities of Debenture Trustee

The Company will enter into a Trustee Agreement/Trust Deed, inter-alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the Debentures.

The Debenture holders shall, without any further act or deed, be deemed to have irrevocably given their consent to and authorized the Trustees or any of their agents or authorized officials to do, inter alia, all such acts, deeds and things necessary in respect of or relating to the operation of the Debentures being offered in terms of this Shelf Disclosure Document. All rights and remedies under the Debenture Trust Deed and/or other security documents shall rest in and be exercised by the Trustees without having it referred to the Debenture holders. Any payment made by the Company to the Trustees on behalf of the Debenture holder(s) shall discharge the Company pro tanto to the Debenture holder(s).

The Trustees are not borrower or Principal Debtor or Guarantors.

C. CREDIT RATING AND RATING RATIONALE ADOPTED BY RATING AGENCIES

The Debentures are rated “AA-” (pronounced Single AA minus) by CARE for Rs.100.00 crores vide letter dated August 28, 2017. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

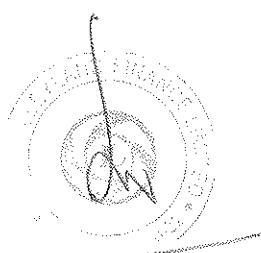
The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

The rating letters have been enclosed as Annexure 1.

D. DETAILS/COPY OF GUARANTEE LETTER OR LETTER OF COMFORT OR ANY OTHER DOCUMENT / LETTER WITH SIMILAR INTENT, IF ANY
NIL**E. NAMES OF ALL THE RECOGNISED STOCK EXCHANGES WHERE THE DEBT SECURITIES ARE PROPOSED TO BE LISTED**

The Debentures will be listed on the Debt Segment of the BSE Limited (“BSE”).

The Company shall forward the listing application to BSE within the 15 days from the Deemed Date of Allotment.



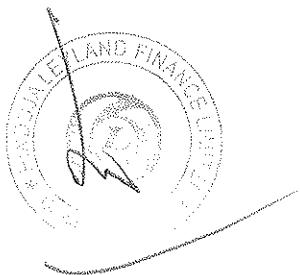
In case of delay in listing of the Debt Securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest of 1% p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such Debt Securities to the investor.

F. OTHER DETAILS

Debenture Redemption Reserve (DRR)

As per Companies Act 2013 and applicable Rules for Debenture gazetted on April 03, 2014 and as amended from time to time, in regards to creation of Debenture Redemption Reserves has clarified that NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997 need not create Debenture Redemption Reserve in case of privately placed debentures.

The Company also undertakes that, if there is any further guidelines are formulated (or modified or revised) by the Central Government or any other authority in respect of creation of Debenture Redemption Reserve the Company shall abide by such guidelines.



12. ISSUE/INSTRUMENT SPECIFIC REGULATIONS - RELEVANT DETAILS (COMPANIES ACT, RBI GUIDELINES ETC):

As per relevant regulations, "Subordinated Debt" means an instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the Non-Banking Financial Company. It shall have a maturity of not less than sixty months and shall not carry an option for recall by the Issuer within the period.

Authority for the Placement

This private placement of Debentures is being made pursuant to the resolution of the Board of Directors passed at its meeting held on May 23, 2017 which has approved the placement of Debentures aggregating upto Rs.6,000 Crores. The present Issue of upto Rs.100.00 crores is within the overall limit approved by the Board of Directors as above. The present Issue of upto Rs.100.00crores is within the general borrowing limits in terms of the resolution passed under Section 180(1)(c) of the Companies Act, 1956 at the Extraordinary General Meeting of the shareholders of the Company held on June 19, 2017 giving their consent to the borrowing by the Directors of the Company from time to time not exceeding Rs.20,000 Crores over and above the paid up capital and free reserves of the Company subject to any restrictions imposed by the terms of the agreement entered into from time to time for grant of loans to the Company of all monies deemed by them to be requisite or proper for the purpose of carrying on the business of the Company. The borrowings under these Debentures will be within the prescribed limits as aforesaid.

The Company can carry on its existing activities and future activities planned by it in view of the existing approvals, and no further approvals from any Government authority are required by the Company to carry on its said activities.

Detail of Objects of the Issue

The Company proposes to raise upto Rs.100.00 Crores through the issue of Non Convertible Redeemable Subordinated Debentures of face value of Rs.10 Lakhs each, by way of private placement as per the terms and conditions. The Capital Adequacy Ratio of the Company as on March 31, 2017 is 15.84%. However, considering the growth of assets planned during the current and the subsequent years, the Company desires to raise Tier II capital to maintain the Company's Capital Adequacy Ratio at a level not below the minimum required to be maintained as per RBI guidelines. Accordingly, this Issue will enhance capital adequacy of the Company from the present level requirements.

As per the provisions of the RBI Circular(s), the Issue proceeds shall be deployed on the Company's own balance sheet and not to facilitate resource requests of group entities/ parent company / associates. The expenses of the present Issue would also be met from the proceeds of the Issue.

No part of the proceeds of the Debentures would be utilized by the Issuer directly/indirectly towards capital markets and real estate purposes. Hence, the subscription to the current Debenture issue would not be considered /treated as capital market exposure.

The net proceeds from the Issue shall not be used in contravention of any RBI/SEBI guidelines applicable to banks investment in Non-SLR Securities.

The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present Issue and also the activities, which the Company has been carrying on till date.

Minimum Subscription

As the current Issue of Debentures is being made on private placement basis, the requirement of minimum subscription as described in the SEBI Guidelines shall not be applicable and therefore, the Company shall not be liable to refund the Issue subscription(s)/proceed(s) in the event of the total Issue collection falling short of Issue size or certain percentage of Issue size.

Deemed Date of Allotment

Interest on Debentures shall accrue to the Debentureholder(s) from and including the Deemed Date of Allotment that will be notified in the term sheet. All benefits relating to the Debentures will be available to the investors from the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any prior notice and shall have a right to allot the Debentures in tranches / series which shall form the part of this Issue. In case, the Issue closing date is changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Company at its sole and absolute discretion.

Status of Debentures

The Debentures shall rank pari passu inter se and without any preference or priority among themselves. Subject to any obligations preferred by mandatory provisions of the law prevailing from time to time, the Debentures shall, as regards the principal amount of the Debentures, interest and all other monies in respect of the Debentures, rank subordinated to the claims of other creditors.

Market Lot

The market lot shall be one Debenture of face value of Rs.10.00 Lakhs each ("Market Lot"). Since the Debentures are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of Debentures.

Interest on Application Money

Interest at the coupon rate as notified in the term sheet (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactments thereof, as applicable) will be paid to all the applicants on the application money for the Debentures. Such interest shall be paid from the date of realization of cheque(s)/ demand draft(s)/ RTGS upto one day prior to the Deemed Date of Allotment. The interest on application money will be computed on an actual/actual basis. Such interest would be paid on all the valid applications.

Where the entire or part subscription amount has been refunded, the interest at the respective coupon rate on application money will be paid along with the Refund Orders. Where an applicant is allotted lesser number of debentures than applied for, the excess amount paid on application will be refunded to the applicant along with the interest at the respective coupon rate on refunded money.

The interest cheque(s)/ demand draft(s) for interest on application money (along with Refund Orders, in case of refund of application money, if any) shall be dispatched by the Company within 15 days from the Deemed Date of Allotment by registered post to the sole/ first applicant, at the sole risk of the applicant.

Interest on Debentures

The Debentures shall carry interest at the rate as specified in the term sheet (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company) payable to the holders of Debentures (the "Holders" and each, a "Holder") as of the relevant Record Date. The interest payable on any Interest Payment Date will be paid to the Debenture holder(s) whose names appear in the list of beneficial owners given by the Depository to the Company as on the Record Date.

The first interest period is defined as the actual number of days falling between the Deemed Date of Allotment to one day prior to the next interest payment date. Kindly refer to the para "Issue Detail" for information on the first interest payment.

The second and subsequent interest period (except the last interest period) is defined as the actual number of days between the last interest payment date till one day prior to next interest payment date. The last interest period is defined as the actual number of days falling till one day prior to the redemption date. The last interest payment would be made on the redemption date along with the redemption of principal amount.

If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for business in Chennai) then payment of interest will be made on the next working day.

In case the Deemed Date of Allotment is revised (pre-poned/ postponed) then the above interest payment date may also be revised pre-poned/ postponed) accordingly by the Company at its sole and absolute discretion.

Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, must be submitted along with the Application Form at the time of subscription to the Debentures.

Payment on Redemption

Each Debenture of face value of Rs.10.00 Lakhs is redeemable as specified in the paragraph "Issue Detail".

The Debentures will not carry any obligation, for interest or otherwise, after the date of redemption. The Debentures held in the dematerialized form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Debenture holders whose name appear in the register of Debenture holders on the Record Date. Such payment will be a legal discharge of the liability of the Company towards the Debenture holders. On such

payment being made, the Company will inform NSDL/CDSL and accordingly the account of the Debenture holders with NSDL/CDSL will be adjusted.

In case the principal redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for business in Chennai), then the payment due shall be made on the previous Business Day.

As per SEBI circular no.CIR/IMD/DF/18/2013 dated October 29, 2013, **illustrative cash flow** for debentures is as under:

Company	Hinduja Leyland Finance Limited
Face Value (per security)	10,00,000.00
Issue Date/Date of Allotment	28 th August 2017
Redemption	28 th August 2024
Coupon Rate	9.40% p.a
Frequency of the Interest payment with specific dates	28 th August 2018 28 th August 2019 27 th August 2020 27 th August 2021 27 th August 2022 27 th August 2023 28 th August 2024
Day Count Convention	Actual / Actual

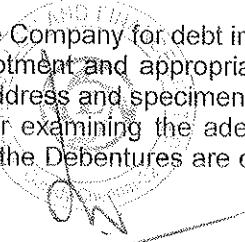
Cash Flows

	Date	No. of days in Coupon Period	Amount (in Rupees)
1st Coupon	28-Aug-18	365	94,000,000
2nd Coupon	28-Aug-19	365	94,000,000
3rd Coupon	27-Aug-20	365	93,743,169
4th Coupon	27-Aug-21	365	94,000,000
5th Coupon	27-Aug-22	365	94,000,000
6th Coupon	27-Aug-23	365	94,000,000
7th Coupon	28-Aug-24	367	94,256,831
Principal	28-Aug-24		1,000,000,000

Applicants are requested to note that the above cash flow is only illustrative in nature. The Date of Allotment, Coupon Rate, Redemption date and Frequency of the Interest Payment shall vary in actual. For detail regarding Date of Allotment, Coupon Rate, Redemption date and Frequency of the Interest Payment please refer to the section titled "*Issue Detail*" in this Shelf Disclosure Document.

Registrars

Integrated Enterprises (India) Limited is acting as Registrar and Transfer agents for the Company for debt instruments. Requests for registration of transfer, along with Debenture Certificates/Letters of Allotment and appropriate transfer documents should be sent to the Registrars. The transferee shall also furnish name, address and specimen signatures and wherever necessary, authority for purchase of Debentures. The Registrars after examining the adequacy and correctness of the documentation shall register the transfer in its books. However, as the Debentures are compulsory issued in demat mode, this may not be applicable.



The Company has finalized Depository Arrangements with National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) for dematerialization of the Debentures. The investor has to necessarily hold the Debentures in dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 (as amended from time to time). The normal procedures followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Applicants should mention their Depository Participant's name, DP-ID and Beneficiary Account Number/Client ID in the appropriate place in the Application Form. In case the depository arrangement is finalised before the completion of all legal formalities for issue of Debenture Certificates, Debentures to successful allottee(s) having Depository Account shall be credited to their Depository Account against surrender of Letter of Allotment.

Interest or other benefits with respect to the Debentures would be paid to those Debenture holders whose names appear on the list of beneficial owners given by the Depositories to the Issuer as on a record date/book closure date. The Issuer would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and informed to the Issuer where upon the interest/benefits will be paid to the beneficiaries within a period of 30 days.

Transfer of Debentures

Debentures shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL /CDSL Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Transfer of Debentures to and from NRIs/ OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Company.

Right to Reissue Debenture(s)

The Company will have the power, as provided for under the Companies Act, exercisable at its absolute discretion from time to time to repurchase some or all the Debentures at any time prior to the specified date of maturity as per the prevailing guidelines/regulations of Reserve Bank of India and other authorities. This right does not construe a call option.

The Company may also, at its discretion and as per the prevailing guidelines/regulations of Reserve Bank of India and other authorities at any time purchase Non Convertible Debentures at discount, at par or at premium in the open market. Such Non Convertible Debentures may, at the option of Company, be cancelled, held or resold at such price and on such terms and conditions as the Company may deem fit and as permitted by Law.

Trading of Debentures

The trading of privately placed Debt Securities would be permitted in the anonymous, order driven system of the Stock Exchange in a separate trading segment. The marketable lot would be one Debenture of face value of Rs.10 Lakhs. All classes of investors would be permitted to trade subject to the standard denomination/marketable lot. The trades executed on spot basis shall be required to be reported to the Stock Exchange.

List of Beneficial Owners

The Company shall request the Depositories to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

Succession

In the event of demise of the sole/first holder of the Debenture(s) or the last survivor, in case of joint holders for the time being, the Company will recognize the executor or administrator of the deceased Debenture holder, or the holder of succession certificate or other legal representative as having title to the Debenture(s). The Company shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, letter of administration wherever it is necessary, or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Company may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the deceased Debenture holder on production of sufficient documentary proof or indemnity.

Where a Non-Resident Indian becomes entitled to the Debenture by way of succession, the following steps have to be complied:

1. Documentary evidence to be submitted to the legacy cell of the RBI to the effect that the Debenture was acquired by the NRI as part of the legacy left by the deceased holder.
2. Proof that the NRI is an Indian National or is of Indian origin. Such holding by the NRI will be governed by the then prevailing guidelines of RBI.

Future Borrowings

The Company shall be entitled to make further issue(s) of debentures, raise further loans or advances and/or avail further deferred payment guarantees or other financial facilities from time to time from such persons/banks/financial institutions or body corporate/or any other agency on such terms and conditions as the Company may think appropriate.

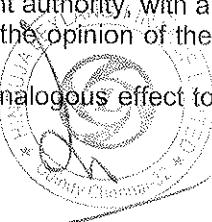
Events of Default

Each of the following events shall be an Event of Default:

1. Default is made in any payment of any interest or principal in respect of the NCDs or any of them, on due date, any amount payable and due pursuant to any of the Transaction Documents
Except, where any payment of any interest or principal in respect of the NCDs or any of them on due date, any amount payable and due pursuant to any of the Transaction Documents is made by the Issuer on or before the due date but has not been received by the Debenture holder(s)/ Trustee due to any technical reason of the banking system, the same shall be remedied by the Company within 30 days of the payment due date. If it is not remedied within the said period of 30 days, it shall be treated as an Event of Default;

In case of willful default in payment of Interest and/or principal redemption on the due dates with an additional interest @ 2% p.a. over the coupon rate will be payable by the Company for the defaulting period

2. Cross default with any other financial indebtedness of the Issuer;
3. the Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay (in the opinion of the Debenture Trustee) a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Debenture Trustee) a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or (in the opinion of the Debenture Trustee) a material part of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer;
4. a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer and is not discharged or stayed within 45 days;
5. an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organization, merger or consolidation on terms approved by an Extraordinary Resolution of the NCD holders;
6. an encumbrancer takes possession or an administrative or other receiver or an administrator is appointed of the whole or (in the opinion of the Trustee) any substantial part of the property, assets or revenues of the Issuer (as the case may be) and is not discharged within 60 days;
7. the Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganization, liquidation or dissolution;
8. it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the NCDs or the Debenture Trust Deed;
9. any step is taken by governmental authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or (in the opinion of the Trustee) a material part of the assets of the Issuer which is material to the Issuer;
10. any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.
11. Any Material Adverse Effect:



1. Default is committed in the performance or observance of any covenant, condition or provision contained in these presents and/or the financial Covenants and Conditions (other than the obligation to pay principal and interest) and, except where the Trustees certify that such default is in their opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Trustees to the Company requiring the same to be remedied.
2. Any information given by the company in its applications to the Debenture holders, in the reports and other information furnished by the Company and the warranties given/deemed to have been given by it to the Debenture holders/trustees is misleading or incorrect in any material respect.
3. The Company is unable to or has admitted in writing its inability to pay its debt as they mature.
4. A receiver or a liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Company and such appointment is not dismissed within 60 days of appointment.
5. The Company ceases to carry on its business.

Consequences of Events of Default

Upon the happening of any Event of Default all outstanding amounts on the Instrument shall stand accelerated and the Debenture Trustee will, at the request of the Investors, give notice (unless instructed otherwise by the Investors in writing) to the Issuer to pay the outstanding amounts within fifteen Business Days of the happening of any Event of Default.

Disputes and Governing Law

The Debentures shall be construed to be governed in accordance with Indian Law. The competent court alone shall have jurisdiction in connection with any matter arising out of or under these precincts.

The Debentures offered are subject to provisions of the Companies Act, 1956, Securities Contract Regulation Act, 1956, terms of this Shelf Disclosure Document, instructions contained in the Application Form and other terms and conditions as may be incorporated in the Debenture Trustee Agreement and the Debenture Trust Deed. Over and above such terms and conditions, the Debentures shall also be subject to the applicable provisions of the Depositories Act, 1996 and the laws as applicable, guidelines, notifications and regulations relating to the Issue, allotment and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange or any other authorities and other documents that may be executed in respect of the Debentures

Disclosure Clause

In the event of default in the repayment of the principal and/or interest on the Debentures on the due dates, the Debenture Trustee and /or the Stock Exchanges and/or the Reserve Bank of India and/or SEBI will have an unqualified right to disclose or publish the name of the borrower and its directors as defaulter in such manner and through such medium as the Investors and/or the Reserve Bank of India in their absolute discretion may think fit. Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debenture Trust Deed/Trustee Agreement.

Debenture holder not a Shareholder

The Debenture holders will not be entitled to any of the rights and privileges available to the shareholders. If, however, any resolution affecting the rights attached to the Debentures is placed before the members of the Issuer, such resolution will first be placed before the Debenture holders for their consideration.

Modification of Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

Notices

The notices to the Debenture holder(s) required to be given by the Company or the Trustees shall be deemed to have been given if sent by registered post to the sole/first allottee or sole/first registered holder of the Debentures, as the case may be. All notices to be given by the Debenture holder(s) shall be sent by registered post or by hand delivery to Registrars or to such persons at such address as may be notified by the Company from time to time.

All transfer related documents, tax exemption certificates, intimation for loss of Letter of Allotment/Debenture(s), etc., requests for issue of duplicate debentures, interest warrants etc. and/or any other notices / correspondence by the

Debenture holder(s) to the Company with regard to the issue should be sent by registered post or by hand delivery to the Registrar, or to such persons at such persons at such address as may be notified by the Company from time to time.

Application Process

Mode of Subscription/ How to Apply

This being a Private Placement offer, Investors who are established/ resident in India and who have been addressed through this communication directly only are eligible to apply.

All Application Forms, duly completed, together with cheque/ demand draft for the Application Amount must be delivered before the closing date of the Issue to the Issuer or to the Arranger to the Issue. The Application Amount payment can alternatively be made through RTGS/NEFT/e-net at the time of submitting the duly filled Application Form but before the closing date of the Issue to bank account of the Issuer. Please refer the Application Form for the bank account detail of the Issuer.

Electronic transfer of funds through RTGS/ ECS mechanism for credit in the account of Hinduja Leyland Finance Limited details of which are given below:

Name of Beneficiary	Hinduja Leyland Finance Limited
Current Account No.	31517932197
Bank	State Bank of India
Branch and Address	State Bank of India CAG Branch 3rd Floor, Sigappi Aachi Buildings 18/3 Rukmani Lakshmi Pathi Road Chennai – 600 008
Branch IFSC Code	SBIN0009999

Applications for the Debentures must be in the prescribed form (enclosed) and completed in BLOCK CAPITAL LETTERS in English and as per the instructions contained therein.

Applications complete in all respects (along with all necessary documents as detailed in this Shelf Disclosure Document) must be submitted before the last date indicated in the Issue time table or such extended time as decided by the Issuer, to the Issuer or the Arranger, accompanied by the Application Amount by way of cheque(s)/ demand draft(s) drawn on any bank including a co-operative bank which is situated at and is a member of the bankers' clearing house located at a place where the Application Form is submitted.

Outstation cheque(s)/ Bank draft(s) drawn on bank(s) not participating in the clearing process at the designated clearing centres will not be accepted. Money orders/ postal orders will also not be accepted. The Company assumes no responsibility for any applications/ cheques/ demand drafts lost in mail.

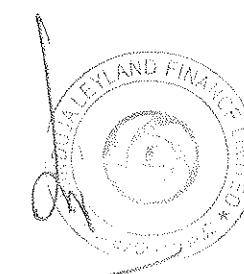
No separate receipt will be issued for the Application Amount. However, the Company's designated collection branches or Arranger(s) receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the Acknowledgment Slip at the bottom of the each Application Form.

As a matter of precaution against possible fraudulent encashment of interest warrants/ cheques due to loss/ misplacement, the applicant should furnish the full particulars of his or her bank account (i.e. account number, name of the bank and branch) at the appropriate place in the Application Form. Interest warrants will then be made out in favour of the bank for credit to his/ her account so specified and dispatched to the investors, who may deposit the same in the said bank.

Who Can Apply

The following categories of investors may apply for the Debentures, subject to fulfilling their respective investment norms/ rules by submitting all the relevant documents along with the Application Form.

1. Scheduled Commercial Banks;
2. Financial Institutions;
3. Insurance Companies;
4. Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI);
5. Regional Rural Banks;



9. Trusts;
10. Individuals;
11. Or any other investor category eligible to invest subject to current applicable rules, act, laws etc

Application not to be made by

1. Hindu Undivided Family (neither by the name of the Karta);
2. Partnership Firms or their nominees
3. Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
4. Overseas Corporate Bodies (OCBs);
5. Foreign Institutional Investors (FIIs);
6. Non Resident Indians (NRIs)

Although above investors are eligible to apply, only those investors, who are individually addressed through direct communication by the Company / Arranger, are eligible to apply for the Debentures. No other person may apply. Hosting of Shelf Disclosure Document on the website of BSE should not be construed as an offer to Issue and the same has been hosted only as it is stipulated by SEBI. Investors should check about their eligibility before making any investment.

The Application Forms must be accompanied by certified true copies of the following:

1. Memorandum and Articles of Association/ Constitution/ Bye-laws;
2. Resolution authorizing investment and containing operating instructions;
3. Specimen signatures of authorised signatories;
4. Xerox copy of PAN Card; and
5. Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable.

Letter/s of allotment/refund order(s) and interest in case of delay in dispatch

The beneficiary account of the investor(s) with National Securities Depository Ltd. (NSDL)/ Central Depository Services Ltd (CDSL) Depository Participant will be given initial credit within two working days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Debenture Certificate.

The Issuer further agrees to pay interest as per the applicable provisions of the Companies Act, 1956, if the allotment letters/refund orders have not been dispatched to the applicants within 30 days from the date of the closure of the Issue.

Right to Accept or Reject Applications

The Company reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The applicants will be intimated about such rejection along with the refund warrant, together with interest on application money, if applicable, from the date of realization of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. The Application Forms that are not complete in all respects are liable to be rejected and such applicant would not be paid any interest on the application money.

Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

1. Number of debentures applied for is less than the minimum application size;
2. Applications exceeding the issue size;
3. Bank account details not given;
4. Details for issue of debentures in electronic/ dematerialized form not given; PAN not mentioned in appropriate place.
5. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Debenture(s) applied for is/ are not allotted in full, the excess application money of such Debentures will be refunded, as may be permitted.



Applications under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signatures of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged

In case of applications made under a Power of Attorney or by a limited company or a body corporate or registered society or mutual fund, scientific and/or industrial research organisations or trusts etc, the relevant power of attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or bye-laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's branch where the application has been submitted, or at the office of the Registrars to the Issue after submission of the Application Form to the Issuer/ Arranger to the Issue as mentioned on the reverse of the Application Form, failing which the applications are liable to be rejected. Such authority received by the Registrars to the Issue more than 10 days after closure of the subscription list may not be considered.

PAN/GIR Number

All applicants should mention their PAN or the GIR number allotted under Income Tax Act, 1961 and the Income Tax circle / ward / district. In case, where neither the PAN nor the GIR number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

Signatures

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a bank or by a magistrate/notary public under his/her official seal.

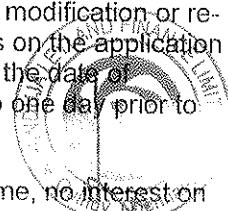
Nomination Facility

As per Section 109 A of the Companies Act, 1956, only individuals applying as sole applicant/joint applicant can nominate, in the prescribed manner, a person to whom his Debentures shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nominate.



13. TERMS OF THE ISSUE

Security Name	To be communicated later
Borrower / Issuer / Company	Hinduja Leyland Finance Limited
Investor	Franklin Templeton Fund (Names to be communicated later)
Debenture Trustee	IDBI Trusteeship Services Limited
Type of Instrument	Rated, Listed, Unsecured, Subordinated, Redeemable, Non-Cumulative, Taxable Non-Convertible Debentures ("NCDs" or "Debentures")
Mode of Issue	Private placement
Issue Size	INR 100 crores
End use	<p>Issue proceeds will be utilized for following purposes:</p> <ul style="list-style-type: none"> • To finance the growth of the portfolio of the Issuer • General corporate purpose for the ordinary course of business including repayment / refinancing of existing debt <p>No part of the proceeds would be utilized directly/indirectly towards equity capital markets or land acquisition</p>
Eligible Investors	As permitted under applicable law.
Rating	Rated "AA-" by CARE
Issue Details	9.40% pa – Tranche 1 – INR 100 crores (Date of Allotment : 28th August 2017)
Issue open date	Tranche 1 – INR 100 crores (Open Date : 28th August 2017)
Issue close date	Tranche 1 – INR 100 crores (Close Date : 28th August 2017)
Interest Type	Fixed
Interest Payment Frequency	Annual
Issue Price	At Par
Face Value per NCD	Rs 10,00,000/- (Rupees Ten Lakhs Only)
Listing	<p>The NCDs issued under this document are proposed to be listed on the BSE</p> <p>In case the Debentures are not listed within 20 days of Deemed Date of Allotment for any reason whatsoever, the Issuer shall be required to immediately redeem all the Debentures from the Debenture Holders along with the interest accrued from the deemed date of allotment at the Interest Rate till the date of redemption. In the event the Company fails to ensure the listing and continued listing of the Debentures, the Company will pay an additional interest rate of 1% per annum above the Interest Rate on the Outstanding Principal Amounts for every day the Debentures are not listed.</p>
Depository	National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Limited (CDSL)
Business Day Convention	'Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai and Chennai. Payment shall be done as per SEBI circular.
Record Date	15 Business Days prior to each Coupon Payment Date and redemption date.

Step Up Coupon	In case of downgrade in external credit rating of the NCDs by two notches or higher, the Interest Rate for the balance period will be increased by 0.25% p.a. for each notch downgrade in rating beyond one notch. The same will be with effect from the rating downgrade date.
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over the Interest Rate will be payable by the Issuer for the defaulting period.
Penal Interest Rate	In the event of breach of any covenant by the Company, the Company will pay an additional interest rate of 1% per annum above the Interest Rate on the Outstanding Principal Amounts for every day such breach subsists.
Redemption Amount	The sum of the outstanding principal accrued Coupon, Default Interest payable (if any) and trustee fees payable.
Prepayment	Prepayment of the NCDs will be permitted with the approval of the Reserve Bank of India as per extant prudential norms and regulations and at mutually agreeable terms with the investor.
Maturity	Tranche 1 – 28th August 2024
Early Redemption	<p>The Debentures along with accrued interest shall become due and payable within 7 days upon receipt of written notice from Debenture Trustee of happening of any of the following events ("Early Redemption Events"):</p> <ol style="list-style-type: none"> Rating of the Debentures is downgraded below "BBB". In case the NCDs are downgraded to credit rating of below BBB or lower by any rating agency, the debenture holders can exercise the right to demand early redemption of the NCDs. The Issuer will be provided 30 days from the date of such downgrade to redeem the Debentures Breach of any covenants Any adverse effect in the business, condition (financial or otherwise), operations, performance or prospects of the company due to any pending or threatened litigation, charges, investigation or proceedings that may or can have an adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the company, that affects the payment of outstanding on the NCDs to the Debenture holders in any manner. <p>The occurrence of events above will be determined by the Debenture Holders solely and at its discretion.</p> <p>The Debenture Holders shall have the option to require the Company to redeem the Debentures ("Early Redemption Option") on happening of any of the Early Redemption Events. Upon the exercise of the Early Redemption Option by the Debenture Holders, the Debenture Trustee shall issue a notice to the Company for redemption of all amounts outstanding in relation to the Debentures (including any unpaid principal, accrued but unpaid Coupon, Default Interest (if applicable)) as on the date of exercise of the Early Redemption Option ("Early Redemption Date").</p> <p>Any Early Redemption will require the approval of the Reserve Bank of India, as per extant prudential norms and regulations.</p>
Security	None
Interest on Application Money	<p>Interest at the Interest Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the NCDs for the period starting from and including the date of realization of application money in Issuer's bank account up to one day prior to the Deemed Date of Allotment.</p> <p>Where Pay-in Date and Deemed Date of Allotment are the same, no interest on Application money is to be paid</p> 

	<p>The Issuer has executed/ shall execute the documents including but not limited to the following, as required, in connection with the Issue as per latest RBI guidelines / SEBI guidelines / Companies Act 2013 for issuance of NCDs through Private Placement:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Debenture holders; 2. Debenture Trustee Agreement; 3. Debenture Trust Deed; 4. Rating Agreement with the aforesaid rating agency(ies) as regards to this Issue; and 5. Tripartite Agreements between the Issuer, Registrar and NSDL and Tripartite Agreements between the Issuer, Registrar and CDSL for issue of NCDs in dematerialized form.
Transaction Documents	<p>The Company shall fulfill the following Conditions Precedent, to the satisfactions of the Debenture Trustee, prior to the Pay In Date:</p> <ul style="list-style-type: none"> (i) A certified true copy of the constitutional documents of the Company (being its Memorandum and Articles of Association and Certificate of Incorporation) shall have been submitted to the Debenture Trustee (ii) All corporate approvals from the Board of Directors and shareholders of the Company, if applicable, shall have been received for the issuance of the NCDs and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed; (iii) Execution of the Debenture Trustee Agreement and Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place; (iv) Rating of the Debentures being completed and the rating agency having provided a minimum rating of 'AA-' for the Debentures and the rating letter issued by the Rating Agency being in a form and manner satisfactory to the Debenture Trustee; (v) The Company shall have provided to the Debenture Trustee a certificate from a director/company secretary of the Company certifying that:- <ul style="list-style-type: none"> (a) the Company and its Directors have the necessary powers under the Memorandum and Articles of Association of the Company to borrow moneys pursuant to the issuance of the Debentures; (b) the borrowing of moneys pursuant to the issuance of the Debentures will not cause any limit binding on the Company to be exceeded; (c) no Material Adverse Effect has occurred in the Company, and/or the business of the Company; (vi) The delivery by the Company to the Debenture Trustee, of certificates signed by authorized signatories of the Issuer, in a form and substance satisfactory to the Debenture Trustee, with respect to: <ul style="list-style-type: none"> (a) incumbency and signatures; (b) absence of any Event of Default, any potential Event of Default, any force majeure event and any Material Adverse Effect; (c) all representations and warranties contained in this Deed are true and correct in all material respects on and as of the Deemed Date of Allotment, before and after giving effect to the Issue and to the application of the proceeds therefrom and; (d) the Debenture Trustee shall have received from the Company its audited account statements for the financial year ended 31st March 2015. (vii) Due execution of the Depository Agreements by, inter alia, the Depository and the Issuer; (viii) Due execution of the Tripartite Agreement by, inter alia, the Registrar and Transfer Agent, Depository and the Issuer; 

	(ix) The Company shall have submitted to the Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements;
Conditions Subsequent	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Document:</p> <ul style="list-style-type: none"> (a) The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 along with the Information Memorandum and Form PAS 3 along with requisite fee within prescribed timelines; (b) File Form PAS 5 along with the Information Memorandum with SEBI; (c) Receive final listing approval from BSE within 20 days from Deemed Date of Allotment; (d) Credit of demat account(s) of the allottee(s) by number of NCDs allotted within 2 Business days from the Deemed Date of Allotment; (e) To ensure compliance with SEBI / Companies Act 2013 for issuance of NCDs;
Events of Default	<p>The occurrence of any one of the following events shall constitute an "Event of Default" by the Company:</p> <ul style="list-style-type: none"> (a) Failure to pay any amount due in respect of Debentures including any installment of interest (including penal interest, if applicable) or the principal amount of the Debentures, any other monies including costs, charges, expenses incurred by the Trustee, as and when the same shall have become due and payable; (b) Any information given by the Company in this Information Memorandum or the Transaction Documents, and / or the representations and warranties given by the Company under the Transaction Documents is incorrect in any respect or is found to be incorrect; (c) If the Issuer is unable to or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company; (d) The occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders. For the purpose of this transaction any material adverse effect in the business, condition (financial or otherwise), and operations, performance or prospects of the Issuer, the absence of any pending or threatened litigation, investigation or proceedings that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Issuer, which affects the payment on the Debentures. (e) The Company, the promoter/s and/or any member of the promoter group rescinds / repudiates or purports to rescind / repudiate or evidences an intention to rescind / repudiate any of the Transaction Documents to in whole or in part; (f) Promoters or key management personnel of the Company being declared willful defaulter (g) The Company shall have voluntarily or involuntarily become the subject of proceedings under bankruptcy or insolvency law or CDR proceedings including any corporate action, legal proceedings or other procedure or step which has been taken (including the making of an application, the presentation of a petition, the filing or service of a notice or the passing of a resolution); (h) The Company has taken or suffered any action to be taken for its reorganization, liquidation or dissolution; (i) A receiver or liquidator, provisional liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets is appointed or allowed to be appointed of all or any part of the undertaking of the Company; (j) Cross Default

	<ul style="list-style-type: none"> i. any Financial Indebtedness of the Company is not paid when due and the applicable cure period has lapsed without the Company remedying the same; or ii. any Financial Indebtedness of the Company is declared or otherwise becomes due and payable before its specified maturity as a result of an event of default <p>(k) All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government authority;</p> <p>(l) Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer / Promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer</p> <p>(m) The Company has taken or suffered to be taken any action for re-organisation of its capital or any rearrangement, merger or amalgamation without the prior written approval of the Debenture Holders;</p> <p>(n) No change in management control of the Hinduja Group in the Issuer without prior approval</p> <p>(o) Any change in shareholding that results in the reduction of the shareholding of the Hinduja Group in the Issuer falling below 51%</p> <p>(p) Removal of the word "Hinduja" in the name of the Issuer</p> <p>(q) Any Transaction Document once executed and delivered, ceases to be in full force and effect or becomes unlawful, invalid or unenforceable;</p> <p>(r) A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the company for staying, quashing or dismissed within 15 (fifteen) days;</p> <p>(s) The promoter/s and/or the directors of the Company are accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery;</p> <p>(t) It is or becomes unlawful for the Company to perform any of its obligations under any Transaction Document</p> <p>(u) The Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors</p> <p>Any acceleration of the NCDs will require the approval of the Reserve Bank of India, as per extant prudential norms and regulations.</p>
Covenants for Facility	<p>The Issuer shall provide for followings covenant for the facility.</p> <p>Financial Covenants</p> <ol style="list-style-type: none"> 1) The capital adequacy ratio (as defined in NBFC Regulations) shall be above the statutory requirement at all point in time. 2) Gross NPA less provisions shall not exceed 5% of the total assets under management of the company. 3) Gross NPA for the purposes of this covenant represents the outstanding principal value of the relevant portfolio of the Company that has one or more instalments of principal, interest payments overdue for 120 days or more and includes restructured loans but excludes loans that have been written off by the Company <p>All covenants would be tested on semi-annual basis for the Company, i.e. as on 31st March and 30th Sept every year, starting from 31 March 2016 on consolidated and standalone balance sheet till the redemption of the Debentures.</p>

The covenants shall be certified by the Company within 30 days from end of each reporting half year.

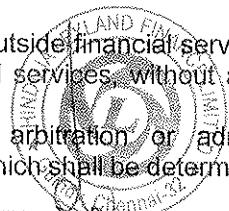
"Financial Indebtedness" shall mean aggregate of

1. All long-term debt outstanding, whether secured or unsecured, plus
2. Contingent liability pertaining to corporate/ financial guarantees given on behalf of any company / SPV / subsidiary / affiliate to the extent of outstanding of such guaranteed debt, plus
3. Any short term debt outstanding, whether secured or unsecured, availed of in lieu of long term debt or by way of bridge financing for long term debt
4. Any amount raised by acceptance under any acceptance credit facility
5. Receivables sold or discounted (other than any receivables to the extent they are sold on a non- recourse basis)
6. Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

"Equity" shall mean issued and paid up Equity, compulsory convertible instruments and Preference Share capital (+) all reserves (excluding revaluation reserves) (-) any dividend declared (+) deferred tax liability (-) deferred tax asset (-) intangibles (including but not restricted to brand valuation, goodwill etc.) as per the latest audited financials of the Issuer.

Other Covenants

- 1) Hinduja Group (Companies within the Hinduja Group) to maintain at least 51% stake in the company on fully diluted basis till the maturity of NCD
- 2) Issuer shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect, without prior consent of the Debenture Trustee
- 3) Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Investors) without prior consent of the Debenture Trustee
- 4) Provide consolidated financial statements at the end of financial year and standalone financial statements at the end of the financial half year of Issuer
- 5) notification of any potential Event of Default or Event of Default;
- 6) obtain, comply with and maintain all licenses / authorizations;
- 7) No M&A, acquisition, restructuring, amalgamation without approval of Debenture Holders over and above 10% of the networth of the Issuer in a financial year
- 8) the Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the investors' prior written consent;
- 9) Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with the prior consent of the debenture holder
- 10) Issuer's net worth to remain positive during the Tenor of the Issue.
- 11) No dividend, if an Event of Default has occurred and is subsisting
- 12) The Issuer shall maintain its corporate existence and right to carry on its business and operations and comply with all Applicable Laws in all respects, at all times
- 13) The Issuer shall not, without the prior approval of Investors, enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures.
- 14) Not undertake any new major new business outside financial services or any diversification of its business outside financial services, without approval of NCD holders
- 15) Provide details of any material litigation, arbitration or administrative proceedings above the materiality threshold, which shall be determined during documentation



	<p>16) Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes</p> <p>17) Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them</p>
Representations, Warranties	<p>The Issuer will make representations customary for the facilities of this nature and others appropriate in the judgment of the Investor, including but not limited to:</p> <ul style="list-style-type: none"> • No Event of Default or potential Event of Default has occurred and is continuing and no such event or circumstance will result as a consequence of the Issuer / performing any obligation contemplated under the transaction documents. • No Material Adverse Change in business, condition or operations of the Issuer • Absence of any pending or threatened litigation, investigation or proceedings that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Issuer or that purports to affect the Facility • Illegality,
Governing Law and Jurisdiction	This Term Sheet shall be governed and construed exclusively in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Mumbai.
Transaction Costs	<p>The Issuer shall bear all transaction related costs incurred by the Investor with respect to legal counsel, valuers and auditors/consultants. Such costs include:</p> <ol style="list-style-type: none"> 1. Professional fee payable to advisors for legal due diligence and valuation 2. Trustee fees and listing fees 3. Stamping and registration in relation to all definitive agreements.
Taxes duties cost and expenses	<ol style="list-style-type: none"> 1. Relevant taxes, duties and levies are to be borne by the Issuer. 2. The charges / fees and any amounts payable as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.



14. ADDITIONAL COVENANTS / UNDERTAKING BY THE COMPANY

The Issuer Company undertakes that:

a) Undertaking regarding RBI/ECGC Defaulters List

The Company hereby confirms that none of its Directors are appearing on the RBI/ECGC defaulters list except as mentioned this Shelf Disclosure Document.

b) Default in Payment

In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over the coupon rate will be payable by the Company for the defaulting period.

c) Listing

The Company shall forward the listing application to BSE within the 20 days from the deemed Date of Allotment(s). In case of delay in listing of the Debt Securities beyond 20 days from the deemed Date of Allotment(s), the Company will pay penal interest of 1% p.a. over the coupon rate from the expiry of 30 days from the deemed Date of Allotment(s) till the listing of such Debt Securities to the investor.

- d) The Company undertakes that it shall not extend loans against the security of its own Debentures issued by way of this Private Placement.
- e) The Company shall deploy funds raised through issue of Debentures on its own balance sheet and not to facilitate resource requests of group entities/ parent company / associates.
- f) The complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
- g) It shall take all steps for completion of formalities for listing and commencement of trading at the concerned stock exchange where securities are to be listed within specified time frame;
- h) Necessary co-operation to the credit rating agencies shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.
- i) It shall use a common form of transfer for the instrument.





15. DECLARATION

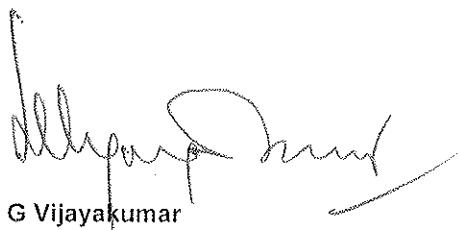
It is hereby declared that this Shelf Disclosure Document contains full disclosures in accordance with the Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008 dated June 6, 2008 and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 dated October 12, 2012.

The Issuer also confirms that this Shelf Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made misleading. The Shelf Disclosure Document also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statement made otherwise than in this Shelf Disclosure Document or in any other material issued by or at the instance of the Issuer and that any one placing reliance on any other source of information would be doing so at his own risk.

As per resolution of the Board of Directors dated May 23, 2017, Mr. S. Nagarajan, Executive Vice Chairman, Mr. Sachin Pillai, Chief Executive Officer or Mr. G Vijayakumar, Chief Financial Officer have been severally authorized to issue the Shelf Disclosure Document.

For Hinduja Leyland Finance Limited,



G Vijayakumar

Chief Financial Officer



Date: August 28, 2017

Place: Chennai

Attachments:

- a) Extract of Board Resolution of the Company in relation to the particulars of the Offer dated 28TH August 2017
- b) Extract of the resolution passed at the Extraordinary General Meeting of the Company in relation to the particulars of the Offer dated 28TH August 2017

ANNEXURE 1 - APPLICATION FORM

Serial No. 1

To

Hinduja Leyland Finance Limited

Registered Office: No.1 Sardar Patel Road, Guindy, Chennai – 600032

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

Dear Sirs,

Having read and understood the contents of the Disclosure Document and the disclosures made therein, I/we hereby apply to you for 500 [number of NCDs to be inserted] of Series at the Interest Rate mentioned in the Disclosure Document. I/we hereby agree to accept the NCDs applied for or such smaller number as may be allotted to me/us at an interest equal to or higher than the value state below, subject to the terms of the said Disclosure Document and this Application Form. I/we undertake that I/we will sign all such other documents and do all such other acts, if any, necessary on my/our part to enable me/us to be registered as the holder(s) of the NCDs which may be allotted to me/us. I/we authorize you to place my/our name(s) on the NCD Register of the Company that may be

so allotted and to register my/our address(es) as given below. I/we note that IDBI Trusteeship Services Ltd. is entitled in its absolute discretion to accept or reject this Application Form in whole or in part without assigning any reason whatsoever.

I/We understand that: (1) in case of allotment of NCDs to me/us, I/we as holders of the NCD, am/are entitled to receive income chargeable under the provisions of Income Tax Act, 1961 at the option of the Assessing Officer either in my/our hands. I/We have been regularly assessed to income tax by the _____ (name and address of the income-tax authority) and

the Permanent Account Number allotted to me / us is _____ and the income as holder/transferee of NCDs is includable in my / our total income under the provisions of Income Tax Act, 1961. I/we hereby agree and assure that I/We shall include the said income in my/our total income and have the same assessed to income tax. I/We, therefore, request you not to retain income tax at the time of credit of such income to my/our account or as the case may be, payment hereof to me/us.

We are applying as (Tick whichever is applicable)

Domestic Company

 Commercial Banks / Financial Institutions / Primary Dealers

Foreign Institutional Investors

 Mutual Funds

Other

NCD Series	Amount (Rs)	No. of NCDs

(Application amount must be for a minimum amount of `1,00,00,000)

SOLE/FIRST APPLICANT'S NAME IN FULL												AUTHORIZED SIGNATORY		
SECOND APPLICANT'S NAME												AUTHORIZED SIGNATORY		
THIRD APPLICANT'S NAME												AUTHORIZED SIGNATORY		
ADDRESS (Do not repeat name) (Post Box No alone is not sufficient)														



				PINCODE		PHONE		FAX						

DETAILS OF BANK ACCOUNT: Bank Name & Branch _____

Account No. _____ Nature of Account _____

Tax Deduction Status (Please tick one)

Fully Exempt [] Tax to be deducted at source [] Not allotted []

We request you to please place our name(s) on the register of debenture holders on the date of allotment of the Debentures.

REQUEST FOR CERTIFICATES IN ELECTRONIC FORM

I/We, the undersigned, want delivery of NCDs, in Electronic Form. Details of my/our Beneficiary (Electronic) account are given below:

Depository Name	NSDL	CDSL		
Depository Participant Name				
DP – ID				
Beneficiary Account Number / Client-ID				

I/We understand that:

- (1) in case of allotment of NCDs to me/us, my/our Beneficiary Account as mentioned above would get credited to the extent of allotted NCDs;
- (2) In case of allotment of NCDs to me/us, if NCDs cannot be credited to my/our Beneficiary Account, for any reason whatsoever, I/We will be given Physical NCD(s);
- (3) if the names of applicants in this application are not identical and also in the same order with the Beneficiary Account details with the above mentioned DP, only physical certificates will be issued;
- (4) Applicants must ensure that the sequence of names as mentioned in the Application Form matches that of the Account held with the DP.

This Application Form shall be governed by the laws of India.

Name of the Authorized Signatory(ies)	Designation	Signature
1.	1.	
2.	2.	

Applicant's Signature

(Tear Here)

ACKNOWLEDGEMENT SLIP
(To be filled in by the Applicant)

Date: / /

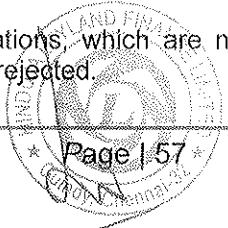
Application Form Serial No. 1

Series	Interest Rate	No. of NCDs

All future communications in connection with the Application should be addressed to the Company (quoting full name of the Applicant, Serial Number of the Application Form, Number of NCDs applied for and date of application).

Instructions:

- 1) Application Form must be completed in full in BLOCK LETTERS in English. Applications, which are not complete in all respects or are, made otherwise than as herein required, are liable to be rejected.



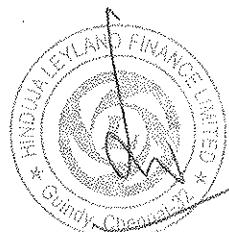
- 2) In case of applications under power of attorney or by limited companies or bodies corporate, the relevant power of attorney or the relevant resolution or authority as the case may be, to make the application together with a duly certified copy thereof must be lodged separately quoting the serial number of the Application Form simultaneously with the submission of the Application Form failing which the application made is liable to be rejected.
- 3) Payment should be made either on the Pay-in date or the date after the final allocation is communicated, for the investors exercising early pay-in option.
- 4) All payments should be made via RTGS / NEFT / Electronic transfers for the benefit of "Hinduja Leyland Finance Limited".
- 5) Application Forms duly completed must be submitted to the Issuer on or before 10 a.m. on Issue Opening day.
- 6) The Issuer reserves the full, unqualified and absolute right to accept or to reject any application in whole or in part and in either case without assigning any reasons therefore.



ANNEXURE 2 - ILLUSTRATION OF DEBENTURE CASH FLOWS

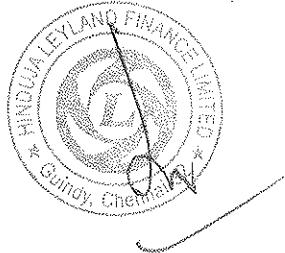
Company	Hinduja Leyland Finance Limited
Face Value (per Debentures)	Rs.10,00,000
Issue Date/ Deemed Date of Allotment	28 th August 2017
Redemption Date(s)	28 th August 2024
Repayments	As per the term sheet
Interest Rate	9.40% p.a.
Frequency of the Interest payment with specific dates	28 th August 2018 28 th August 2019 27 th August 2020 27 th August 2021 27 th August 2022 27 th August 2023 28 th August 2024
Day Count Convention	Actual / Actual

Amount in Rs.				
Date for payment of Interest and redemption of principal	No. of days in Period	Principal Amount	Interest Amount	Total Cash Flows
As per the term sheet				



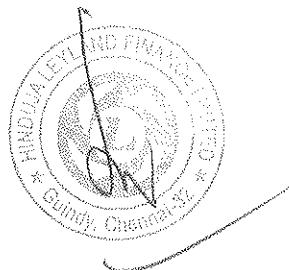
ANNEXURE 3 - RATING RATIONALE AND RATING LETTER

Enclosed



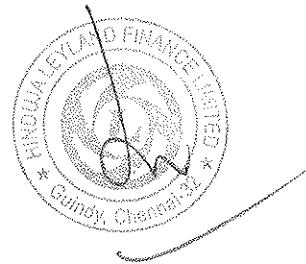
ANNEXURE 4 - TRUSTEE CONSENT LETTER

Enclosed



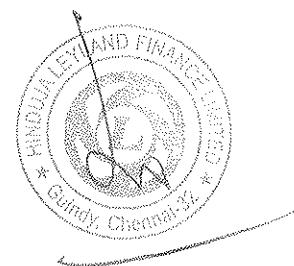
ANNEXURE 5-BOARD RESOLUTION AND SHAREHOLDERS'RESOLUTIONS

Enclosed



ANNEXURE 6 - ABRIDGED VERSION OF AUDITED CONSOLIDATED AND STANDALONE FINANCIAL INFORMATION
(RS. IN LAKHS)

BALANCE SHEET	2016-17	2015-16	2014-15	2013-14
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	41,215.59	37,871.86	37,821.61	51,032.18
Reserves and surplus	107,802.48	69,011.09	53,891.63	29,389.04
	149,018.07	106,882.95	91,713.39	80,421.22
Non-current liabilities				
Long-term borrowings	610,953.80	516,701.97	298,026.27	146,288.64
Long-term provisions	5,435.32	2,352.04	1,363.37	827.78
	616,389.12	519,054.01	299,389.64	147,116.42
Share application money pending allotment				
Current liabilities				
Short-term borrowings	36,406.45	59,344.65	65,022.38	56,862.54
Trade payables	190.53	324.80	275.36	144.18
Other current liabilities	340,357.81	1,83,971.95	135,613.01	95,355.25
Short-term provisions	14,247.56	7,517.25	4,943.10	2,172.32
	391,202.35	251,158.65	205,853.85	154,534.29
Total	1,156,609.54	877,095.61	596,956.88	382,071.93
ASSETS				
Non-current assets				
Fixed assets				
- Tangible assets	4,605.89	4,088.31	3,434.74	3,373.38
- Intangible assets	51.20	53.41	40.32	33.25
- Capital work-in-progress	108.87	207.63	-	11
	4,765.96	4,349.35	3,475.06	3,417.63
Non-current investments	65,306.73	13,162.15	14,458.55	4,080.72
Deferred tax asset (net)	6,010.80	3,398.78	2,099.70	942.41
Long-term loans and advances	625,105.58	533,990.02	315,407.00	163,958.88
Other non-current assets	2,719.57	11,632.58	10,933.19	22,805.64
	703,908.64	562,183.53	345,898.44	195,205.28
Current Assets				
Current investments	21,898.52	26,411.31	28,455.09	9,000.57
Cash and bank balances	6,565.69	8,863.19	7,200.28	4,571.34
Short term loans and advances	402,941.36	262,934.06	203,284.56	160,258.92
Other current assets	21,295.33	12,354.17	11,643.45	13,035.82
	452,700.90	310,562.73	250,583.38	186,866.65
Total	1,156,609.54	877,095.61	596,956.88	382,071.93

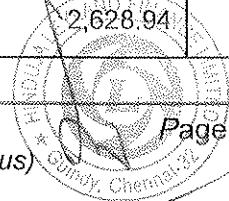


PROFIT AND LOSS ACCOUNT	2016-17	2015-16	2014-15	2013-14
Revenue				
Revenue from operations	148,631.27	114,569.34	81,433.93	62,522.08
Total revenue	148,631.27	114,569.34	81,433.93	62,522.08
Expenses				
Employee benefit expense	6,042.22	4,821.06	3,976.94	3,002.07
Finance cost	83,366.69	62,447.24	40,248.23	28,721.82
Depreciation and amortisation expense	581.65	560.13	442.23	305.38
Provisions and write off	20,657.37	15,311.19	13,478.42	10,754.76
Other expenses	11,997.35	8,971.68	6,760.45	7,437.70
Total expenses	122,645.28	92,111.30	64,906.27	50,221.73
Profit before tax	25,675.99	22,458.04	16,527.66	12,300.35
Tax expense:				
- Current tax				
'- for the current year	11,535.19	8,754.86	6,528.58	4,544.21
- relating to earlier years			-	-
- Deferred tax				
- for the current year	(2,612.02)	(1,299.09)	(1,157.29)	(446.81)
- relating to earlier years			-	84.25
Profit after tax	16,752.82	15,002.27	11,156.37	8,118.70

(RS. IN LAKHS)

CASH FLOW STATEMENT	2016-17	2015-16	2014-15	2013-14
A . Cash flow from operating activities				
Net profit before tax	25,675.99	22,458.04	16,527.66	12,300.35
Adjustments for:				
Depreciation and amortisation	581.65	560.13	477.42	305.38
Loss on sale of repossessed assets	10,593.76	10,585.06	9,449.62	5451.33
Contingent provision against standard assets	654.51	899.62	528.68	170
Provision for non-performing assets	9,106.99	2,564.05	2,755.06	1078.44
Bad debts written off	302.11	1,262.46	745.06	1150.03
Stock compensation expenses	137.67	99.01	171	2.8
Fixed Assets write off	0.34	-	-	-
Discount on commercial papers	2,728.56	-	-	-
Provision for compensated absence and gratuity	-	99.15	22.63	71.6
Operating cash flow before working capital changes	49,781.58	38,527.52	30,677.13	20,529.93
Adjustments for:				
(Increase) / decrease in asset on finance (including repossessed assets)	(227,618.99)	(2,57,576.37)	(1,78,482.73)	(55,249.17)

CASH FLOW STATEMENT	2016-17	2015-16	2014-15	2013-14
(Increase) / decrease in repossessed assets	(10,966.62)	(11,387.93)	(8,169.73)	(9,608.35)
(Increase) / decrease in loans and advances	(13,848.03)	(20950.119)	(16,531.24)	(9,872.09)
Increase / (decrease) in current, non- current liabilities and provisions	19,916.54	8983.77	10,951.37	483.65
Cash (used in) / from operations	(182,735.53)	(2,42,403.13)	(1,61,555.20)	(53,716.03)
Taxes paid (net)	(10,177.93)	(9,659.41)	(6,645.16)	(4,562.94)
Net cash (used in) operating activities (A)	(192,913.45)	(2,52,062.54)	(1,68,200.36)	(58,278.97)
B Cash flow from investing activities				
Investment in pass through securities	1,819.05	(392.72)	(7,366.79)	(12,078.99)
Investment in Funds	(10,000.00)			
Investment in redeemable non convertible debentures	(31,950.84)	5,232.90	(22,465.56)	(1,000.00)
Investment in equity shares of subsidiary Company	(7,500.00)	(1,500.00)	-	-
Bank deposits (having maturity of more than three months)	5,057.71	(699.39)	11,872.45	-3,391.98
Purchase of fixed assets (tangible and intangible fixed assets) including capital work in progress and capital advances	998.60	(1,406.20)	(545.84)	(955.90)
Net cash (used in) investing activities (B)	(43,572.68)	1,234.59	(18,505.74)	(17,426.87)
C Cash flow from financing activities				
Proceeds from issue of equity shares including securities premium (net)	25,244.63	68.28	-	1,697.79
Proceeds from issue of compulsorily convertible cumulative participative preference shares		-	-	18,000.00
Proceeds from borrowings	400,500.00	4,08,000.00	2,76,999.38	1,13,451.07
Repayments of borrowings	(169,860.96)	(1,49,899.69)	(95,824.18)	(72,332.71)
Proceeds from working capital loan/ cash credit (net)	(25,666.76)	(5,677.73)	8,159.84	12,268.23
Net cash from financing activities (C)	230,216.91	2,52,490.86	1,89,335.04	73,084.38
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(6,269.22)	1,662.91	2,628.94	(2,621.46)

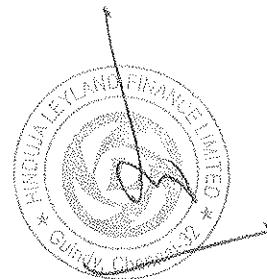


CASH FLOW STATEMENT	2016-17	2015-16	2014-15	2013-14
Cash and cash equivalents at the beginning of the year	8,863.19	7,200.28	4,571.34	7,192.80
Cash and cash equivalents at the end of the year	2,593.97	8,863.19	7,200.28	4,571.34

Change in accounting policies during the last three years and their effect on the profits and the reserves of the Company.

Loan origination costs and income

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





Shri. G. Vijayakumar
Chief Financial Officer,
Hinduja Leyland Finance Limited,
No.27 A, Developed Industrial Estate, Guindy,
Chennai – 600 032

August 28, 2017

Confidential

Dear Sir,

Credit rating for proposed Subordinated Debt Issue

Please refer to your request for rating of proposed long-term Subordinated Debt issue aggregating to Rs.200 crore of your company. The proposed Sub-debt would have tenure of upto 7 years.

2. The following rating has been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Proposed Subordinated Debt issue	200.00 (Rs. Two Hundred crore only)	CARE AA-; Stable (Double A Minus; Outlook Stable)	Assigned

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is August 28, 2017).
4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

For HINDUJA LEYLAND FINANCE LTD.
[Signature]

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE AUTHORIZED SIGNATORY publications.

CARE Ratings¹ Limited
(Formerly known as Credit Analysis & Research Limited)

CORPORATE OFFICE: 4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Eastern Express Highway, Sion (E), Mumbai - 400 022.
Tel.: +91-22-6754 3456 • Fax: +91-22-6754 3457
Email: cara@careratings.com • www.careratings.com

Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.
Tel: +91-44-2849 0811 / 13 / 76
Tel./ Fax: +91-44-2849 7812

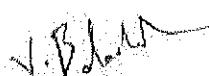
Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
-----------------	------	--------------------	-------------	----------------------	---------------------	-----------------	---	-----------------------------

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
7. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by August 29, 2017, we will proceed on the basis that you have no any comments to offer.
8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life-time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
10. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
11. CARE ratings are not recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

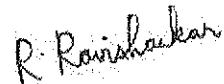
Yours faithfully,



Balachandran V

Analyst

balachandran.v@careratings.com



Ravi Shankar R

Deputy Manager

ravi.s@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

3

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

Unit No. O-509/C, Spencer Plaza, 5th Floor, No.769, Anna Salai, Chennai - 600 002
Tel : +91-44-28490611 / 0813 / 0876 | Tel / Fax : +91-44-28497812 | Email : care@careratings.com | www.careratings.com

CIN : L62100TN1993PLC017193

Annexure
Press Release
Hinduja Leyland Finance Limited

Ratings

Instruments	Amount (Rs. crore)	Ratings ¹	Rating Action
Subordinated Debt issue (Proposed)	200.00 (Rupees Two Hundred crore only)	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Assigned

Detailed Rationale and key rating drivers

The rating assigned to the proposed subordinated debt issue of Hinduja Leyland Finance Ltd (HLF) factors in the fresh equity infusion in FY17 (refers to the period April 01 to March 31) and Q1FY18 (refers to the period April 01 to June 30), continuous increase in the scale of operations, benefits derived from increasing scale and improvement in asset quality in FY16 and FY17 on a comparable basis due to increased focus of the company on asset classes & customer segments with better asset quality.

The rating continues to factor in the experienced management team of HLF, benefits derived from being part of Hinduja group including periodical infusion of equity in a timely manner, demonstrated ability of HLF to raise funds to support business growth, diversified funding profile and comfortable liquidity profile. The rating also factors in the improvement in portfolio & geographical diversification on account of HLF's entry into new segments during FY17 (refers to the period April 01 to March 31) on a comparable basis. The rating is however constrained by moderate profitability, moderate asset quality and capitalization levels.

In the past two years, HLF has taken various initiatives to improve its asset quality wherein it has diversified into segments other than CV through its entry into tractors, Loan against Property and increased its focus on construction equipment. Furthermore, conscious efforts taken by HLF have resulted in significant change in customer mix wherein share of medium & large fleet operators in its portfolio has seen increase. Going forward, the ability of the company to improve its asset quality further, improve profitability while increasing the scale of operations and portfolio diversification would be the key rating sensitivities.

Detailed description of the key rating drivers

Key Rating Strengths

Strong Parentage and benefits derived from being part of Hinduja Group

The Hinduja group, established in Mumbai in 1918, has global presence across 30 countries. The group has presence in various industries including Automotive, Banking & Finance, IT/ ITES and Energy & Chemicals. HLF is the subsidiary of Ashok Leyland Limited (ALL), one of the leading players in the domestic

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

commercial vehicle segment. Being part of the Hinduja group, HLF enjoys significant financial flexibility in terms of mobilizing funds from various sources at competitive rates. The Hinduja group has track record of establishing and successfully running Banking & Finance companies. The experience of the management team in running the similar business is a key strength for HLF. Based on the knowledge and expertise gained in the financial services sector, the management has developed an in-house enterprise IT system.

Continuous growth in scale of operations in FY17

HLF has witnessed continuous growth in the scale of operations over the last 3 years ended March 31, 2017. During FY17, AUM grew from Rs.10,001 crore as on March 31, 2016, to Rs.14,070 crore as on March 31, 2017 registering a growth of 41% y-o-y basis. As on June 30, 2017, AUM stood at Rs.14,469 crore. During FY17, disbursements grew by 40% from Rs.7,075 crore in FY16 to Rs.9,933 crore in FY17. While overall book witnessed 40% growth, some of the sub-segments (Construction Equipment, MCV, Tipper & 3 Wheeler) witnessed higher growth on account of increased focus by the company. At the same time, it has limited its growth in sub-segments (MUV, LCV, SCV & Two Wheeler) where delinquencies are higher. With the growth in AUM, total income grew by 30% from Rs.1,146 crore in FY16 to Rs.1,486 crore in FY16. PAT has increased from Rs.150 crore in FY16 to Rs.168 crore in FY17.

Asset quality: Increase in GNPA due to transition from 150 dpd to 120 dpd for NPA recognition; however 90+dpd witnessed improvement in last two years

HLF reported GNPA of 5.45% (PY: 4.20%) and NNPA of 4.05% (PY: 3.33%) as on March 31, 2017 with transition in NPA recognition norms from 150 DPD as on March 31, 2016 to 120 DPD as on March 31, 2017. In order to improve the asset quality, HLF has consciously shifted its focus to Medium and Large Fleet Operators from FTU (First Time User)/FTB (First Time Buyer). With respect to delinquencies, there has been improvement during the last 3 years, with the company reporting 90+ dpd of 4.86% of AUM as on March 31, 2017 as against 7.45% as on March 31, 2015. During Q1FY18, the company started following 90+ DPD for NPA recognition as compared to 120+ DPD in FY17. GNPA and NNPA (90+dpd) (AUM basis) stood at 5.77% and 4.42% as on June 30, 2017.

Diversified funding profile

HLF's bank borrowings are diversified with borrowings from various banks which include a good mix of both public and private sector banks. HLF has mobilized funds to the tune of Rs.1,870 crore through securitization/direct assignment transaction. With mobilization of funds through various sources, the funding profile is diversified in FY17 and the dependence on bank funds is expected to come down further in the medium term. HLF's liquidity profile remains comfortable with no negative cumulative mismatches across the time buckets.

Prospects

HLF's prospects are primarily dependent on the automotive sector and especially CV industry due to significant exposure to this segment. Performance of the CV industry is linked to the overall economic growth of the country and with subdued economic growth in the past, the asset quality of HLF was

Impacted. In order to mitigate the risk associated with the CV industry and insulate from economic downturns, HLF has ventured into new segments in the past three years. Furthermore, HLF has also shifted its focus to medium & large transport operators from FTB.

Key Rating Weaknesses

Moderation in profitability levels

There has been decline in the yields over the past three years ended March 31, 2017, with the company concentrating on the products which are having better asset quality (but lower yields) with focus on improving asset quality. HLF also increased its focus from First Time Buyers to Strategic Customers/Fleet operators which has lower yields. Interest Income to Average Interest Earning Assets has moderated from 18.60% in FY15 to 15.40% in FY17. NIM stood at 6.39% in FY17 (PY: 6.98%). ROTA moderated from 2.29% in FY15 to 1.66% in FY17. In terms of operating expenses, Operating Expenses to Average total assets declined from 2.29% in FY15 to 1.84% in FY17. During the period, loan loss Provisions and Write-offs to average total assets improved from 2.76% in FY15 to 2.04% in FY17. It is to be noted that (Opex + loan loss Provisions & Write-offs) improved from 5.05% of total assets in FY15 to 3.88% of total assets in FY17,

Moderate capitalization levels

HLF has raised fresh equity during December 2016 to the tune of Rs.251 crore through Rights Issue. CAR and Tier 1 CAR stood at 16.20% and 11.51% as on March 31, 2017 as compared to 16.19% and 11.07% as on March 31, 2016. Also, the company has raised additional Rs.99 crore in Q1FY18 through rights issue. As on June 30, 2017, CAR and Tier 1 CAR stood at 16.27% and 12.38%. With the company raising Rs.350 crore during this period, it has deferred its IPO plans currently. The existing investors have been providing need based support to the company in the form of fresh equity as and when required.

Analytical approach

Standalone

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings

CARE's Policy on Default Recognition

Financial Ratios-Financial Sector

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

Rating Methodology: Factoring Linkages In Ratings

About the company

HLF is a non-deposit accepting systemically important (ND-SI) NBFC based out of Chennai, Tamil Nadu, belonging to the Hinduja group. Established in 2008, HLF started its lending operations in FY11 subsequent to receipt of RBI license in March 2010. The company has been promoted by the group's flagship automobile manufacturing company Ashok Leyland Ltd (ALL, rated 'CARE AA', 'CARE A1+') with the aim of providing funding support to ALL vehicles. HLF's exposure to ALL vehicles was around 42% of AUM as on March 31, 2017. HLF is also engaged in extending loans to three-wheelers, two-wheelers, SCV

(Small commercial vehicles), LCV (Light Commercial Vehicles), tractor, construction equipment and used CV financing. During FY15, HLF has entered into Loan Against Property (LAP) segment. As on March 31, 2017, shareholding of the Hinduja group in HLF stands at 86%, wherein ALI holds 57.20% stake. During FY17, HLF reported PAT of Rs.168 crore on the total income of Rs.1,486 crore as against PAT of Rs.150 crore on total income of Rs.1,146 crore during FY16. During Q1FY18, HLF reported PAT of Rs.36 crore on the total income of Rs.423 crore.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating Income	1,146	1,486
PAT	150	168
Interest coverage (times)	1.36	1.31
Total Assets	8,736	11,505
Net NPA (%)#	2.90@	2.76\$
ROTA (%)	2.04	1.66

A: Audited; #calculated on Assets Under Management; @- based on 150+ DPD; \$-based on 120+DPD

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Note on complexity levels of the rated instruments: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Analyst Contact:

Name: Mr P Sudhakar
 Tel: 044-2849 7812
 Email: p.sudhakar@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debt-Subordinate Debt (Proposed)	-	-	-	200.00	CARE AA-; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based-Long Term	LT	9703.00	CARE AA- ; Stable	1)CARE AA- ; Stable (07-Jul-17)	1)CARE A+ ; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15)	1)CARE A+ (24-Mar-15) 2)CARE A+ (05-Aug-14)
2.	Commercial Paper	ST	750.00	CARE A1+	1)CARE A1+ (07-Jul-17)	1)CARE A1+ (14-Dec-16) 2)CARE A1+ (18-Aug-16)	1)CARE A1+ (13-Aug-15) 2)CARE A1+ (24-Jun-15)	1)CARE A1+ (05-Aug-14)
3.	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE A+ ; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15)	1)CARE A+ (05-Aug-14)
4.	Debt-Subordinate Debt	LT	300.00	CARE AA- ; Stable	1)CARE AA- ; Stable (07-Jul-17)	1)CARE A+ ; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15)	1)CARE A+ (05-Aug-14)
5.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA- ; Stable	1)CARE AA- ; Stable (07-Jul-17)	1)CARE A+ ; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15)	1)CARE A+ (08-Sep-14)
6.	Debentures-Non Convertible Debentures	LT	250.00	CARE AA- ; Stable	1)CARE AA- ; Stable (07-Jul-17)	1)CARE A+ ; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15)	1)CARE A+ (24-Mar-15)

7.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA- ; Stable	1)CARE AA- ; Stable (07-Jul-17)	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15) 2)CARE A+ (28-Apr-15)	-
8.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA- ; Stable	1)CARE AA- ; Stable (07-Jul-17)	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15) 2)CARE A+ (03-Jul-15)	-
9.	Debentures-Non Convertible Debentures	LT	200.00	CARE AA- ; Stable	1)CARE AA- ; Stable (07-Jul-17)	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15) 2)CARE A+ (03-Jul-15)	-
10.	Debentures-Non Convertible Debentures	LT	100.00	CARE AA- ; Stable	1)CARE AA- ; Stable (07-Jul-17)	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15)	-
11.	Debentures-Non Convertible Debentures	LT	50.00	CARE AA- ; Stable	1)CARE AA- ; Stable (07-Jul-17)	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (01-Mar-16)	-
12.	Debentures-Non Convertible Debentures	LT	60.00	CARE AA- ; Stable	1)CARE AA- ; Stable (07-Jul-17)	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16) 3)CARE A+ (15-Jun-16)	-	-
13.	Debentures-Non Convertible Debentures	LT	100.00	CARE AA- ; Stable	1)CARE AA- ; Stable (07-Jul-17)	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16) 3)CARE A+ (27-Jun-16)	-	-
14.	Debt-Subordinate Debt	LT	180.00	CARE AA- ; Stable	1)CARE AA- ; Stable (07-Jul-17)	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16) 3)CARE A+ (30-Jun-16)	-	-

15.	Debentures-Non Convertible Debentures	LT	200.00	CARE AA- ; Stable	1)CARE AA-; Stable (07-Jul-17)	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	-	-
16.	Debentures-Non Convertible Debentures	LT	50.00	CARE AA- ; Stable	1)CARE AA-; Stable (07-Jul-17)	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	-	-
17.	Debentures-Non Convertible Debentures	LT	200.00	CARE AA- ; Stable	1)CARE AA-; Stable (07-Jul-17)	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (08-Sep-16)	-	-
18.	Debentures-Non Convertible Debentures	LT	50.00	CARE AA- ; Stable	1)CARE AA-; Stable (07-Jul-17)	1)CARE A+; Positive (31-Jan-17)	-	-
19.	Debentures-Non Convertible Debentures	LT	50.00	CARE AA- ; Stable	1)CARE AA-; Stable (07-Jul-17)	1)CARE A+; Positive (13-Feb-17)	-	-
20	Debt-Subordinate Debt (PROPOSED)	LT	200.00	CARE AA- ; Stable			-	-

R



CARE/CRO/RR/2017-18/1170

**Shri. G. Vijayakumar,
Chief Financial Officer,
Hinduja Leyland Finance Limited,
No.27 A, Developed Industrial Estate, Guindy,
Chennai – 600 032**

July 05, 2017

Dear Sir,

Credit rating of bank facilities and debt instruments

Please refer to our letters dated July 04, 2017 on the above subject.

2. The rationale for the rating is attached as an Annexure - I.
3. A write-up (press release) on the above rating is proposed to be issued to the press shortly. A draft of this is enclosed for your perusal as Annexure - II.
4. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by July 06, 2017, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

For HINDUJA LEYLAND FINANCE LTD.

 AUTHORISED SIGNATORY

Vidhyashankar C.
**Vidhyashankar C
Manager**

Encl: As above

CARE RATINGS LIMITED
 (Formerly known as Credit Analysis & Research Limited)

Annexure - I
Rating Rationale
Hinduja Leyland Finance Limited

Rating

Facilities/Instruments	Amount (Rs. Crore)	Ratings ¹	Rating Action
Long term Bank Facilities	9,703	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Sub-total	9,703 (Rupees Nine Thousand Seven Hundred and Three crore only)		
Non-Convertible Debenture issue-II	500	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-III	250	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-IV	500	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-V	500	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-VI	200	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-VII	100	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-VIII	50	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-IX	60	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-X	100	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-XI	200	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-XII	50	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-XIII	200	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Non-Convertible Debenture Issue-XIV	50	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-XV	50	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Subordinated Debt Issue - I	300	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Subordinated Debt Issue - II	180	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Commercial Paper issue	750	CARE A1+	Reaffirmed
Non-Convertible Debenture issue-I	-	-	Withdrawn
Total Instruments	4,040 (Rupees Four Thousand and Forty crore only)	-	-

Rating Rationale

The revision in the ratings assigned to the long-term bank facilities and debt instruments of Hinduja Leyland Finance Ltd (HLF) factors in the fresh equity infusion in FY17 (refers to the period April 01 to March 31) and Q1FY18 (refers to the period April 01 to June 30), continuous increase in the scale of operations, benefits derived from increasing scale and improvement in asset quality in FY16 and FY17 on comparable basis due to increased focus of the company on asset classes & customer segments with better asset quality.

The ratings continue to factor in the experienced management team of HLF, benefits derived from being part of Hinduja group including periodical infusion of equity in a timely manner, demonstrated ability of HLF to raise funds to support business growth, diversified funding profile and comfortable liquidity profile. The ratings also factor in the improvement in portfolio & geographical diversification on account of HLF's entry into new segments during FY17 (refers to the period April 01 to March 31) on a comparable basis. The ratings are however constrained by moderate profitability, moderate asset quality and capitalization levels.

In the past two years, HLF has taken various initiatives to improve its asset quality wherein it has diversified into segments other than CV through its entry into tractors, Loan against Property and increased its focus on construction equipment. Furthermore, conscious efforts taken by HLF have resulted in significant change in customer mix wherein share of medium & large fleet operators in its portfolio has seen increase. Going forward, the ability of the company to improve its asset quality further, improve profitability while increasing the scale of operations and portfolio diversification would be the key rating sensitivities.

Background

HLF is a non-deposit accepting systemically important (ND-SI) NBFC based out of Chennai, Tamil Nadu, belonging to the Hinduja group. Established in 2008, HLF started its lending operations in FY11 subsequent to receipt of RBI license in March 2010. The company has been promoted by the group's flagship automobile manufacturing

company Ashok Leyland Ltd (ALL, rated 'CARE AA; Stable/ 'CARE A1+') with the aim of providing funding support to ALL vehicles. HLF's exposure to ALL vehicles was around 42% of AUM as on March 31, 2017. HLF is also engaged in extending loans to three-wheelers, two-wheelers, SCV (Small commercial vehicles), LCV (Light Commercial Vehicles), tractor, construction equipment and used CV financing. During FY15, HLF has entered into Loan Against Property (LAP) segment. As on March 31, 2017, shareholding of the Hinduja group in HLF stands at 86%, wherein ALL holds 57.20% stake.

Credit Risk Assessment

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

The Hinduja group, established in Mumbai in 1918, has a global presence across 30 countries. The group has presence in various industries including Automotive, Banking & Finance, IT/ ITES and Energy & Chemicals. Major companies in domestic market include Ashok Leyland Ltd (rated CARE AA; Stable), IndusInd Bank Ltd, Hinduja Tech Ltd (rated 'CARE BBB', 'CARE A3+'), Gulf Oil Lubricants India Ltd (rated CARE AA-; Stable), HTMT IT Services, etc. HLF is the subsidiary of ALL, one of the leading players in the domestic commercial vehicle segment. The parent has extended the brand to HLF and also HLF enjoys strong operational linkages with access to dealer network of ALL. Being part of the Hinduja group, HLF enjoys significant financial flexibility in terms of mobilizing funds from various sources at competitive rates and the company was able to contain interest cost by way of mobilizing funds through NCDs, CP at competitive rates.

Experienced management team

The Hinduja group has track record of establishing and successfully running Banking & Finance companies. The group had established a NBFC 'Ashok Leyland Finance' in 1982, which was later merged with the group promoted IndusInd Bank Ltd. During its operations of more than a decade, ALF was one of India's leading NBFCs in vehicle finance. Post-merger, the key management team having experience of running ALF for over 15 years became part of IndusInd Bank Ltd. Most of the experienced management team of erstwhile ALF has joined HLF. The experience of the management team in running the similar business is a key strength for HLF. The Executive Vice-Chairman of HLF is Mr S Nagarajan. Mr Dheeraj Hinduja, Chairman of ALL, is also a part of HLF's board. The board comprises 11 directors with rich experience in the financial services sector.

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

Continuous growth in the scale of operations in FY17

HLF has witnessed continuous growth in the scale of operations over the last 3 years ended March 31, 2017. During FY17, AUM grew from Rs.10,001 crore as on March 31, 2016, to Rs.14,070 crore as on March 31, 2017 registering a growth of 41% y-o-y basis. During FY17, disbursements grew by 40% from Rs.7,075 crore in FY16 to Rs.9,933 crore in FY17. While overall book witnessed 40% growth, some of the sub- segments (Construction Equipment, MCV, Tipper & 3 Wheeler) witnessed higher growth on account of increased focus by company. At the

same time, it has limited its growth in sub-segments (MUV, LCV, SCV & Two Wheeler) where delinquencies are higher. With the growth in AUM, total income grew by 30% from Rs.1,146 crore in FY16 to Rs.1,486 crore in FY16. PAT has increased from Rs.150 crore in FY16 to Rs.168 crore in FY17.

Moderation in profitability levels

There has been decline in the yields over the past three years ended March 31, 2017, with the company concentrating on the products which are having better asset quality (but lower yields) with focus on improving asset quality. HLF also increased its focus from First Time Buyers to Strategic Customers/Fleet operators which has lower yields. Interest Income to Average Interest Earning Assets has moderated from 18.60% in FY15 to 15.40% in FY17. NIM stood at 6.39% in FY17 (PY: 6.98%). ROTA moderated from 2.29% in FY15 to 1.66% in FY17. In terms of operating expenses, Operating Expenses to Average total assets declined from 2.29% in FY15 to 1.84% in FY17. During the period, loan loss Provisions and Write-offs to average total assets improved from 2.76% in FY15 to 2.04% in FY17. It is to be noted that (Opex + loan loss Provisions & Write-offs) improved from 5.05% of total assets in FY15 to 3.88% of total assets in FY17.

Moderate capitalization levels

HLF has raised fresh equity during December 2016 to the tune of Rs.251 crore through Rights Issue. CAR and Tier 1 CAR stood at 16.20% and 11.51% as on March 31, 2017 as compared to 16.19% and 11.07% as on March 31, 2016. Also, the company has raised additional Rs.100 crore in Q1FY18 through rights issue. With the company raising Rs.350 crore during this period, it has deferred its IPO plans currently. The existing investors have been providing need based support to the company in the form of fresh equity as and when required.

Asset quality: Increase in GNPA due to transition from 150 dpd to 120 dpd for NPA recognition; however 90+dpd witnessed improvement in last two years

NBFC industry particularly, the players having exposure to commercial vehicle segment have witnessed moderation in asset quality during FY17.

HLF reported GNPA of 5.45% (PY: 4.20%) and NNPA of 4.05% (PY: 3.33%) as on March 31, 2017 with transition in NPA recognition norms from 150 DPD as on March 31, 2016 to 120 DPD as on March 31, 2017. It may be noted that products such as Car, Multi Utility Vehicle, Small Commercial Vehicle, Three Wheelers and Two wheeler contributed to 60% of the NPAs as on March 31, 2017, while share of these products in total AUM was only 18% as on March 31, 2017. The company has been cautious on lending to these segments and the proportion of these products as a % of AUM has declined from 31% of AUM as on March 31, 2015 to 18% of AUM as on March 31, 2017.

With respect to delinquencies, there has been improvement during the last 3 years, with the company reporting 90+ dpd of 4.86% of AUM as on March 31, 2017 as against 7.45% as on March 31, 2015.

In order to improve the asset quality, HLF has consciously shifted its focus to Medium and Large Fleet Operators from FTU (First Time User)/FTB (First Time Buyer). To address sharp jump in NPAs in 2W segment, HLF has set up separate recovery team and has consciously slowed down the disbursements in the particular segment.

Furthermore, separate product verticals have been created and head of the particular segments have been appointed to increase focus on the asset class. These steps are expected to aid the company in improving its asset quality in the long term.

Diversification of loan portfolio

In addition to financing ALL vehicles, HLF also finances vehicles of other OEM's. Exposure to ALL vehicles remained significant at around 42% of AUM as on March 31, 2017. In order to insulate from economic down turns and to mitigate risk associated with CVs, the company had ventured into other segments like Tractor, Construction Equipment, 2W segment in FY12 and LAP in FY15. The share of Construction Equipments increased from 9% in FY16 to 12% in FY17. The share of LAP segment increased from 10% as on March 31, 2016 to 12% as on March 31, 2017. Also, the share of HCVs (including used vehicles) has increased from 28% as on March 31, 2016 to 33% as on March 31, 2017.

Exposure to top 3 states (Rajasthan, Andhra Pradesh and Tamil Nadu) accounted for 40% of AUM as on March 31, 2017 as against 37% of AUM as on March 31, 2016.

Diversified funding profile

HLF's borrowings from banks reduced from 66% of the total debt in FY16 to 64% in FY17 on account of increase in share of NCDs and Subordinated debt from 34% in FY16 to 36% in FY17. HLF's bank borrowings are diversified with borrowings from various banks which include a good mix of both public and private sector banks. Furthermore, HLF has mobilized funds to the tune of Rs.1,870 crore through securitization/direct assignment transaction. With mobilization of funds through various sources, the funding profile is diversified in FY17 and the dependence on bank funds is expected to come down further in the medium term. HLF's liquidity profile remains comfortable with no negative cumulative mismatches across the time buckets.

Prospects

HLF's prospects are primarily dependent on the automotive sector and especially CV industry due to significant exposure to this segment. Performance of the CV industry is linked to the overall economic growth of the country and with subdued economic growth in the past; the asset quality of HLF was impacted. In order to mitigate the risk associated with the CV industry and insulate from economic downturns, HLF has ventured into new segments in the past three years. Furthermore, HLF has also shifted its focus to medium & large transport operators from FTB. As stated earlier, above initiatives has resulted in improvement in asset quality over the past two years as reflected in improvement in 90+dpd levels. Going forward, the ability of the company to improve its asset quality further, maintaining capital adequacy at comfortable levels & improve profitability while increasing the scale of operations and portfolio diversification would be the key rating sensitivities.

Financial Performance

As on / Year ended March 31	(Rs. Cr)		
	2015 (A)	2016 (A)	2017 (A)
Working Results			
Interest Income	769	1,086	1,427
Other interest & operational income	44	51	54
Other Income	1	9	6
Total Income	814	1,146	1,486
Interest expense	402	624	834
Net Interest Income	411	513	647
Operating & other expenses	112	144	186
Total Provision / Write offs	135	153	207
PBT	165	225	257
Taxation	54	75	89
PAT	112	150	168
Financial position			
Tangible Networth	896	1,034	1,430
Total Debt	4,827	7,351	9,428
Loan portfolio	5,525	8,281	10,944
Total Assets	5,948	8,736	11,505
AUM	6,549	10,001	14,070
Key Ratios			
Solvency Ratios			
Overall Gearing (times)	5.39	7.11	6.60
Interest coverage (times)	1.41	1.36	1.31
Reported CAR %	19.67	16.19	16.20
Reported Tier I CAR %	14.84	11.07	11.51
Profitability (%)			
Net Interest Margin	8.43	6.98	6.39
Operating expenses / Avg. total assets	2.29	1.95	1.84
ROTA	2.29	2.04	1.66
Asset Quality Ratios (%)			
Gross NPA Ratio (%)#	3.62	3.48@	4.24\$
Net NPA Ratio##	2.90	2.76@	3.14\$
NNPA/Networth (%)	21.03	26.45	30.52

A - Audited; #calculated on Assets Under Management; @ - based on 150+ DPD; \$-based on 120+DPD

Note: Ratios have been computed based on average of annual opening and closing balances

NIM has been calculated as net interest income/average annual total assets

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

Annexure 1
Details of Rated Facilities

1. Long-term facilities

1.A. Term Loans

(Rs. crore)

Sr. No.	Name	Remarks	Rated Amount
1	State Bank of India	Outstanding	440
2	State Bank of Hyderabad	Outstanding	87
3	State Bank of Travancore	Outstanding	100
4	Canara Bank	Outstanding	330
5	Axis Bank	Outstanding	230
6	ICICI Bank	Outstanding	143
7	Vijaya Bank	Outstanding	33
8	HDFC Bank	Outstanding	376
9	Central Bank of India	Outstanding	250
10	Union Bank of India	Outstanding	525
11	Bank of Baroda	Outstanding	1,694
12	Syndicate Bank	Outstanding	167
13	Kotak Mahindra Bank	Outstanding	95
14	Federal Bank	Outstanding	117
15	IDBI Bank	Outstanding	160
16	Development Credit Bank	Outstanding	61
17	United Bank of India	Outstanding	228
18	Oriental Bank of Commerce	Outstanding	400
19	Deutsche Bank	Outstanding	67
20	Allahabad Bank	Outstanding	67
21	Indian Bank	Outstanding	100
22	State Bank of India	Proposed	700
23	Canara Bank	Proposed	125
24	ICICI Bank	Proposed	100
25	Bank of Baroda	Proposed	860
26	Corporation Bank	Proposed	250
27	IDBI Bank	Proposed	175
28	Punjab National Bank	Proposed	100
Sub Total			7,978

1.B. Fund Based limits

(Rs. crore)

S.No	Name	Type	Amount
1	State Bank of India	CC/WCDL	100
2	State Bank of Hyderabad	CC/WCDL	50
3	Canara Bank	CC/WCDL	200
4	Axls Bank	CC/WCDL	50
5	ICICI Bank	CC/WCDL	75
6	Vijaya Bank	CC/WCDL	50
7	HDFC Bank	CC/WCDL	50
8	Central Bank of India	CC/WCDL	50
9	Union Bank of India	CC/WCDL	50

10	Bank of Baroda	CC/WCDL	50
11	Kotak Mahindra Bank	CC/WCDL	10
12	Federal Bank	CC/WCDL	100
13	IDBI Bank	CC/WCDL	25
14	Development Credit Bank	CC/WCDL	50
15	Oriental Bank of Commerce	CC/WCDL	50
16	Deutsche Bank	CC/WCDL	10
17	Allahabad Bank	CC/WCDL	50
18	Citibank	CC/WCDL	130
Sub-Total			1,150
19	Proposed	LT	575
Total			9,703

*CC=Cash credit; WCDL – Working Capital Demand Loan;

Total long-term facilities (1.A. + 1.B.) - Rs.9,703 crore

Annexure II
Hinduja Leyland Finance Limited

Rating

Facilities/Instruments	Amount (Rs. Crore)	Ratings ²	Rating Action
Long term Bank Facilities	9,703	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Sub-total	9,703 (Rupees Nine Thousand Seven Hundred and Three crore only)		
Non-Convertible Debenture issue-II	500	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-III	250	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-IV	500	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-V	500	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-VI	200	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-VII	100	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-VIII	50	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-IX	60	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-X	100	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-XI	200	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-XII	50	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-XIII	200	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Non-Convertible Debenture issue-XIV	50	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Non-Convertible Debenture issue-XV	50	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Subordinated Debt Issue - I	300	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Subordinated Debt Issue - II	180	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Revised from CARE A+; Positive (Single A Plus; Outlook: Positive)
Commercial Paper issue	750	CARE A1+	Reaffirmed
Non-Convertible Debenture issue-I	-	-	Withdrawn
Total Instruments	4,040 (Rupees Four Thousand and Forty crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale and key rating drivers

The revision in the ratings assigned to the long-term bank facilities and debt instruments of Hinduja Leyland Finance Ltd (HLF) factors in the fresh equity infusion in FY17 (refers to the period April 01 to March 31) and Q1FY18 (refers to the period April 01 to June 30), continuous increase in the scale of operations, benefits derived from increasing scale and improvement in asset quality in FY16 and FY17 on comparable basis due to increased focus of the company on asset classes & customer segments with better asset quality.

The ratings continue to factor in the experienced management team of HLF, benefits derived from being part of Hinduja group including periodical infusion of equity in a timely manner, demonstrated ability of HLF to raise funds to support business growth, diversified funding profile and comfortable liquidity profile. The ratings also factor in the improvement in portfolio & geographical diversification on account of HLF's entry into new segments during FY17 (refers to the period April 01 to March 31) on a comparable basis. The ratings are however constrained by moderate profitability, moderate asset quality and capitalization levels.

In the past two years, HLF has taken various initiatives to improve its asset quality wherein it has diversified into segments other than CV through its entry into tractors, Loan against Property and increased its focus on construction equipment. Furthermore, conscious efforts taken by HLF have resulted in significant change in customer mix wherein share of medium & large fleet operators in its portfolio has seen increase. Going forward, the ability of the company to improve its asset quality further, improve profitability while increasing the scale of operations and portfolio diversification would be the key rating sensitivities.

Detailed description of the key rating drivers

Key Rating Strengths

Strong Parentage and benefits derived from being part of Hinduja Group

The Hinduja group, established in Mumbai in 1918, has global presence across 30 countries. The group has presence in various industries including Automotive, Banking & Finance, IT/ITES and Energy & Chemicals. HLF is the subsidiary of Ashok Leyland Limited (ALL), one of the leading players in domestic commercial vehicle segment. Being part of the Hinduja group, HLF enjoys significant financial flexibility in terms of mobilizing funds from various sources at competitive rates. The Hinduja group has track record of establishing and successfully running Banking & Finance companies. The experience of the management team in running the similar business is a key strength for HLF. Based on the knowledge and expertise gained in the financial services sector, the management has developed an in-house enterprise IT system.

Continuous growth in scale of operations in FY17

HLF has witnessed continuous growth in the scale of operations over the last 3 years ended March 31, 2017. During FY17, AUM grew from Rs.10,001 crore as on March 31, 2016, to Rs.14,070 crore as on March 31, 2017 registering a growth of 41% y-o-y basis. During FY17, disbursements grew by 40% from Rs.7,075 crore in FY16 to Rs.9,933 crore in FY17. While overall book witnessed 40% growth, some of the sub-segments (Construction Equipment, MCV, Tipper & 3 Wheeler) witnessed higher growth on account of increased focus by company. At the same time, it has limited its growth in sub-segments (MUV, LCV, SCV & Two Wheeler) where delinquencies are higher. With the growth in AUM, total income grew by 30% from Rs.1,146 crore in FY16 to Rs.1,486 crore in FY16. PAT has increased from Rs.150 crore in FY16 to Rs.168 crore in FY17.

Asset quality: Increase in GNPA due to transition from 150 dpd to 120 dpd for NPA recognition; however 90+dpd witnessed improvement in last two years

HLF reported GNPA of 5.45% (PY: 4.20%) and NNPA of 4.05% (PY: 3.33%) as on March 31, 2017 with transition in NPA recognition norms from 150 DPD as on March 31, 2016 to 120 DPD as on March 31, 2017. In order to improve the asset quality, HLF has consciously shifted its focus to Medium and Large Fleet Operators from FTU (First Time User)/FTB (First Time Buyer). With respect to delinquencies, there has been improvement during the last 3 years, with the company reporting 90+ dpd of 4.86% of AUM as on March 31, 2017 as against 7.45% as on March 31, 2015.

Diversified funding profile

HLF's bank borrowings are diversified with borrowings from various banks which include a good mix of both public and private sector banks. HLF has mobilized funds to the tune of Rs.1,870 crore through securitization/direct assignment transaction. With mobilization of funds through various sources, the funding profile is diversified in FY17 and the dependence on bank funds is expected to come down further in the medium term. HLF's liquidity profile remains comfortable with no negative cumulative mismatches across the time buckets.

Prospects

HLF's prospects are primarily dependent on the automotive sector and especially CV industry due to significant exposure to this segment. Performance of the CV industry is linked to the overall economic growth of the country and with subdued economic growth in the past, the asset quality of HLF was impacted. In order to mitigate the risk

associated with the CV industry and insulate from economic downturns, HLF has ventured into new segments in the past three years. Furthermore, HLF has also shifted its focus to medium & large transport operators from FTB.

Key Rating Weaknesses

Moderation in profitability levels

There has been decline in the yields over the past three years ended March 31, 2017, with the company concentrating on the products which are having better asset quality (but lower yields) with focus on improving asset quality. HLF also increased its focus from First Time Buyers to Strategic Customers/Fleet operators which has lower yields. Interest Income to Average Interest Earning Assets has moderated from 18.60% in FY15 to 15.40% in FY17. NIM stood at 6.39% in FY17 (PY: 6.98%). ROTA moderated from 2.29% in FY15 to 1.66% in FY17. In terms of operating expenses, Operating Expenses to Average total assets declined from 2.29% in FY15 to 1.84% in FY17. During the period, loan loss Provisions and Write-offs to average total assets improved from 2.76% in FY15 to 2.04% in FY17. It is to be noted that (Opex + loan loss Provisions & Write-offs) improved from 5.05% of total assets in FY15 to 3.88% of total assets in FY17.

Moderate capitalization levels

HLF has raised fresh equity during December 2016 to the tune of Rs.251 crore through Rights issue. CAR and Tier 1 CAR stood at 16.20% and 11.51% as on March 31, 2017 as compared to 16.19% and 11.07% as on March 31, 2016. Also, the company has raised additional Rs.100 crore in Q1FY18 through rights issue. With the company raising Rs.350 crore during this period, it has deferred its IPO plans currently. The existing investors have been providing need based support to the company in the form of fresh equity as and when required.

Analytical approach

Standalone

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings

CARE's Policy on Default Recognition

Financial Ratios-Financial Sector

Criteria for Short Term Instruments

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

Rating Methodology: Factoring Linkages in Ratings

About the company

HLF is a non-deposit accepting systemically important (ND-SI) NBFC based out of Chennai, Tamil Nadu, belonging to the Hinduja group. Established in 2008, HLF started its lending operations in FY11 subsequent to receipt of RBI license in March 2010. The company has been promoted by the group's flagship automobile manufacturing company Ashok Leyland Ltd (ALL, rated 'CARE AA', 'CARE A1+') with the aim of providing funding support to ALL vehicles. HLF's exposure to ALL vehicles was around 42% of AUM as on March 31, 2017. HLF is also engaged in extending loans to three-wheelers, two-wheelers, SCV (Small commercial vehicles), LCV (Light Commercial

Vehicles), tractor, construction equipment and used CV financing. During FY15, HLF has entered into Loan Against Property (LAP) segment. As on March 31, 2017, shareholding of the Hinduja group in HLF stands at 86%, wherein ALL holds 57.20% stake.

During FY17, HLF reported PAT of Rs.168 crore on the total income of Rs.1,486 crore as against PAT of Rs.150 crore on total income of Rs.1,146 crore during FY16. AUM as on March 31, 2017 stood at Rs.14,070 crore.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	1,146	1,486
PAT	150	168
Interest coverage (times)	1.36	1.31
Total Assets	8,736	11,505
Net NPA (%)#	2.90@	2.76\$
ROTA (%)	2.04	1.66

A: Audited; #calculated on Assets Under Management; @- based on 150+ DPD; \$-based on 120+DPD

Status of non-cooperation with previous CRA:

Not Applicable

Any other Information:

Not Applicable

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

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Analyst Contact

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Email: p.sudhakar@careratings.com

**For detailed Rationale Report and subscription information, please contact us at www.careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund Based-Long Term	-		May 2021	9,703.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - I	-				Withdrawn
Debt-Subordinate Debt - I	Mar 28, 2014	12.00%	Mar 28, 2021	10.00	CARE AA-; Stable
Debt-Subordinate Debt - II	Feb 21, 2014	12.00%	Feb 21, 2021	25.00	CARE AA-; Stable
Debt-Subordinate Debt - III	Jun 26, 2014	12.40%	Apr 26, 2020	50.00	CARE AA-; Stable
Debt-Subordinate Debt - IV	Jun 03, 2014	12.40%	Nov 03, 2019	110.00	CARE AA-; Stable
Debt-Subordinate Debt - V	Jun 03, 2014	12.40%	Apr 03, 2020	105.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - VI	Sep 23, 2014	10.70%	Sep 23, 2017	250.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - VII	Feb 16, 2015	10.65%	Feb 16, 2018	75.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - VIII	Feb 16, 2015	10.65%	Feb 16, 2019	100.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - IX	Feb 16, 2015	10.65%	Feb 16, 2020	75.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - X	Mar 20, 2015	10.50%	Mar 20, 2018	250.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - XI	Apr 29, 2015	9.65%	Apr 29, 2020	250.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - XII	May 15, 2015	9.50%	May 15, 2020	250.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - XIII	Jun 26, 2015	9.35%	Jun 26, 2020	500.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - XIV	Jul 13, 2015	10.55%	Jul 13, 2020	200.00	CARE AA-; Stable
Debentures-Non	Aug 14, 2015	10.55%	Jun 14, 2018	33.00	CARE AA-; Stable

Convertible Debentures - VII					
Debentures-Non Convertible Debentures - VII	Aug 14, 2015	10.55%	Jun 14, 2019	33.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - VII	Aug 14, 2015	10.55%	Jun 12, 2020	34.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - VIII	Feb 15, 2016	10.35%	Mar 12, 2019	50.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - IX	May 24, 2016	10.25%	Apr 15, 2019	60.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - X	Jun 15, 2016	10.25%	Jun 14, 2019	100.00	CARE AA-; Stable
Debt-Subordinate Debt - II	Jun 23, 2016	11.10%	Apr 08, 2022	40.00	CARE AA-; Stable
Debt-Subordinate Debt - II	Jun 23, 2016	11.10%	Apr 08, 2022	65.00	CARE AA-; Stable
Debt-Subordinate Debt - II	Jun 27, 2016	11.10%	Apr 08, 2022	75.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - XI	Jul 21, 2016	9.35%	Jul 21, 2021	200.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - XII	Aug 09, 2016	10.00%	Aug 09, 2019	50.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - XIII	Aug 31, 2016	10.00%	Aug 31, 2019	100.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - XIII	Sep 15, 2016	10.00%	Sep 13, 2019	100.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - XIV	Jan 27, 2017	8.90%	May 30, 2020	50.00	CARE AA-; Stable
Debentures-Non Convertible Debentures - XV	Feb 09, 2017	8.85%	Feb 07, 2020	50.00	CARE AA-; Stable
Commercial Paper Issue	-	-	7-364 days	750.00	CARE A1+

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based-Long Term	LT	9703.00	CARE AA- ; Stable	- 1)CARE A+ ; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15) 2)CARE A+ (05-Aug-14)	1)CARE A+ (24-Mar-15)	1)CARE A+ (24-Mar-15)
2.	Commercial Paper	ST	750.00	CARE A1+	- 1)CARE A1+ (14-Dec-16) 2)CARE A1+ (18-Aug-16)	1)CARE A1+ (13-Aug-15) 2)CARE A1+ (24-Jun-15)	1)CARE A1+ (05-Aug-14)	1)CARE A1+ (05-Aug-14)
3.	Debentures-Non Convertible Debentures	LT	-	-	- 1)CARE A+ ; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15)	1)CARE A+ (05-Aug-14)	1)CARE A+ (05-Aug-14)
4.	Debt-Subordinate Debt	LT	300.00	CARE AA- ; Stable	- 1)CARE A+ ; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15)	1)CARE A+ (05-Aug-14)	1)CARE A+ (05-Aug-14)
5.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA- ; Stable	- 1)CARE A+ ; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15)	1)CARE A+ (08-Sep-14)	1)CARE A+ (08-Sep-14)
6.	Debentures-Non Convertible Debentures	LT	250.00	CARE AA- ; Stable	- 1)CARE A+ ; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15)	1)CARE A+ (24-Mar-15)	1)CARE A+ (24-Mar-15)
7.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA- ; Stable	- 1)CARE A+ ; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15) 2)CARE A+ (28-Apr-15)	-	-
8.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA- ; Stable	- 1)CARE A+ ; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15) 2)CARE A+ (03-Jul-15)	-	-

9.	Debentures-Non Convertible Debentures	LT	200.00	CARE AA-; Stable	-	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15) 2)CARE A+ (03-Jul-15)
10.	Debentures-Non Convertible Debentures	LT	100.00	CARE AA-; Stable	-	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (13-Aug-15)
11.	Debentures-Non Convertible Debentures	LT	50.00	CARE AA-; Stable	-	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	1)CARE A+ (01-Mar-16)
12.	Debentures-Non Convertible Debentures	LT	60.00	CARE AA-; Stable	-	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16) 3)CARE A+ (15-Jun-16)	-
13.	Debentures-Non Convertible Debentures	LT	100.00	CARE AA-; Stable	-	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16) 3)CARE A+ (27-Jun-16)	-
14.	Debt-Subordinate Debt	LT	180.00	CARE AA-; Stable	-	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16) 3)CARE A+ (30-Jun-16)	-
15.	Debentures-Non Convertible Debentures	LT	200.00	CARE AA-; Stable	-	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (18-Aug-16)	-
16.	Debentures-Non Convertible Debentures	LT	50.00	CARE AA-; Stable	-	1)CARE A+; Positive (31-Jan-17) 2)CARE A+	-

					(18-Aug-16)		
17.	Debentures-Non Convertible Debentures	LT	200.00	CARE AA- ; Stable	1)CARE A+; Positive (31-Jan-17) 2)CARE A+ (08-Sep-16)	-	-
18.	Debentures-Non Convertible Debentures	LT	50.00	CARE AA- ; Stable	1)CARE A+; Positive (31-Jan-17)	-	-
19.	Debentures-Non Convertible Debentures	LT	50.00	CARE AA- ; Stable	1)CARE A+; Positive (13-Feb-17)	-	-

No.4233/ITSL/OPR/CL/17-18/DEB/460**Date: 24th August, 2017**

Hinduja Leyland Finance Limited
 No. 27A, Developed Industrial Estate
 Guindy, Chennai 600032.

Kind Attn: Mr. G.Vijayakumar - CFO

Dear Sir,

Subject: Consent to act as Debenture Trustee for the Rated, Listed and Subordinated unsecured Non-Convertible Debentures (NCDs) aggregating up to Rs.200 Crores in 2 tranches proposed to be issued by Hinduja Leyland Finance Limited (the Company/Issuer)

This is with reference to your email request dated 24th August, 2017 and subsequent telephonic conversations we had regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustee for the proposed rated, listed, subordinated unsecured NCD's issue aggregating up to Rs.200 Crores. In this connection, we indicate our trusteeship remuneration for the said assignment as follows:

Charge Heads	Terms
Acceptance Fees	Rs.2,00,000/- plus applicable taxes (One-time payment, payable upfront and non-refundable)
Service Charges	Rs.2,00,000/- p.a. plus applicable taxes. First such payment would become payable in on the date of execution (DoE) for the pro-rata period from DoE till March 31, 2018; thereafter the Service Charges are payable on an annual basis in advance on 1 st April every year till the redemption and satisfaction of charges in full.
Delay Payment Charges	In case the payment of service charges not received within a period of 30 days from the date of the bill, ITSL reserves the right to charge "delayed payment charges" @ 12% p.a. on the outstanding amount.
Out of Pocket Expenses & Statutory Dues	Would be reimbursable on actual basis within 30 days of the claim.
Validity:	This Consent letter is valid for a period of three (3) months from the date of this letter and shall stand automatically cancelled/revoked/withdrawn without any further communication/reference to the Issuer Company unless otherwise revalidated by us. This Consent Letter shall not be construed as giving rise to any obligation on the part of IDBI Trusteeship Services Ltd.to act as Debenture Trustees unless the Company communicates acceptance to IDBI Trusteeship Services Ltd within 3 days from the date of issuance of this letter and the Issuer Company also executes Trusteeship documents including Security Documents within 30 days from the date of issuance of this letter or such extended time as may be agreed to by IDBI Trusteeship Services Ltd.



Reset Clause	Security Trustee shall have the right to reset the above referred service charges on expiry of every 2 years from the date of this consent letter as may be mutually agreed upon by the parties.
Any enforcement consequent to the event of default (EOD) would attract separate charges	

Assure you of our best services at all times.

Yours faithfully,
For IDBI Trusteeship Services Limited

we accept the above terms
for Hinduja Leyland Finance Limited

A handwritten signature "Meenrah Iyer" is written over a circular blue stamp. The stamp contains the text "IDBI Trust LTD", "Mumbai", "Trusteeship Services Ltd", and "ITSL".

(Authorized Signatory)

(Authorized Signatory)

NOTE: As per recent Service Tax guidelines, ITSL would be required to pay the applicable Service Tax on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

No.4233/ITSL/OPR/CL/17-18/DEB/460**Date: 24th August, 2017**

Hinduja Leyland Finance Limited
No. 27A, Developed Industrial Estate
Guindy, Chennai 600032.

Kind Attn: Mr. G.Vijayakumar - CFO

Dear Sir,

Subject: Consent to act as Debenture Trustee for the Rated, Listed and Subordinated unsecured Non-Convertible Debentures (NCDs) aggregating up to Rs.200 Crores in 2 tranches proposed to be issued by Hinduja Leyland Finance Limited (the Company/Issuer)

This is with reference to your email request dated 24th August, 2017 and subsequent telephonic conversations we had regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustee for the proposed rated, listed, subordinated unsecured NCD's issue aggregating up to Rs.200 Crores. In this connection we confirm our acceptance of the assignment.

We are agreeable for inclusion of our name as trustee in the offer document/disclosure document as required subject to the following conditions:

1. The Company shall enter into Written Debenture Trustee Agreement (DTA) for the said issue before the opening of Subscription list for issue of debentures.
2. The Company agrees and undertakes to create the securities over such of its immovable and moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute, the Debenture Trust Deed (DTD) and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed by us in the Information Memorandum or Disclosure Document in any case not exceeding three months of closure of the issue or offer.
3. The Company agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
4. The Company agrees & undertakes to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the Companies Act, 1956/the Companies Act, 2013 and the Rules thereunder as amended from time to time and other applicable provisions and agree to furnish to Trustees such information in terms of the same on regular basis.

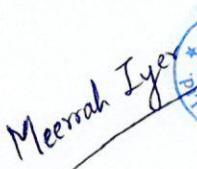


5. Any payment in respect of Debentures required to be made by the Debenture Trustee to a Debenture Holder (who is a FII Entity) at the time of enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorized Dealer. The Company/Investor shall obtain all such approvals, if required, to ensure prompt and timely payments to the said Debenture Holder. Such remittance shall not exceed a total investment (and interest provided for herein) made by the Debenture Holder (who is a FII).

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

Yours faithfully,

For IDBI Trusteeship Services Limited




(Authorized Signatory)

we accept the above terms
for Hinduja Leyland Finance Limited

(Authorized Signatory)



CERTIFIED TRUE COPY OF THE MINUTES OF THE FIFTY SIXTH MEETING OF THE BOARD OF DIRECTORS OF HINDUJA LEYLAND FINANCE LIMITED HELD ON TUESDAY, THE 23rd MAY, 2017 AT 4.30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 9th FLOOR, NO.1, SARDAR PATEL ROAD, GUINDY, CHENNAI – 600032

RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of the shareholders in the ensuing annual general meeting, necessary recommendation be made to pass a suitable resolution in the ensuing Annual General Meeting to borrow from time to time whether in Indian rupees or foreign currency (including external commercial borrowings in foreign denominated currencies from any foreign source / countries as prescribed by guidelines, if any in this respect) from any one or more of the Company's bankers and /or from any one or more persons, firms, bodies corporate, financial institutions, banks or other acceptable source whether by way of advances, deposits, loans, debentures, bonds or other securities whether convertible into equity / preference shares and / or securities with or without detachable warrants with a right exercisable by the warrant holder(s) to convert or subscribe for equity / preference shares to, bank(s), financial or other institution(s), mutual fund(s), non-resident Indians, foreign institutional investors or any other person(s), body (ies) corporate, etc., whether shareholder of the Company or not, whether unsecured or secured and on such terms and conditions as the Board may deem fit, notwithstanding the total borrowings exceeding the aggregate of paid-up capital and free reserves of the company, the aggregate amounts so borrowed and outstanding at any one time (apart from temporary loans obtained from the company's bankers in the ordinary course of business) shall not exceed an amount of Rs.20,000 crores.

For HINDUJA LEYLAND FINANCE LIMITED

A handwritten signature in black ink, appearing to read 'Vash'.
Sachin Pillai
Chief Executive Officer

HINDUJA LEYLAND FINANCE LIMITED

Corporate Office : No. 27A, Developed Industrial Estate, Guindy, Chennai - 600 032. Tel : (044) 3925 2525 Fax : 044-3925 2553

Registered Office : No. 1, Sardar Patel Road, Guindy, Chennai - 600 032.

Website : www.hindujaleylandfinance.com

CIN : U65993TN2008PLC069837 • Email : compliance@hindujaleylandfinance.com



CERTIFIED TRUE COPY OF THE MINUTES OF THE FIFTY SIXTH MEETING OF THE BOARD OF DIRECTORS OF HINDUJA LEYLAND FINANCE LIMITED HELD ON TUESDAY, THE 23rd MAY, 2017 AT 4.30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 9th FLOOR, NO.1, SARDAR PATEL ROAD, GUINDY, CHENNAI – 600032

RESOLVED THAT pursuant to the provisions of Section 180(1) (c) of the Companies Act of 2013, subject to the approval of shareholders in the ensuing annual general meeting of the Company, the consent of the Board of Directors of the Company be and is hereby accorded to delegate its borrowing power to the following officials of the Company and the Board do hereby authorise and empower the following officials (any two jointly) to borrow such amounts as may be required from time to time to meet the Company's requirements from banks, financial institutions or any entity for the purpose of business of the Company up to a ceiling of Rs.20,000 crores (Rupees Twenty Thousand Crores only) including existing borrowings, in addition to Company's Paid up capital and Free reserves, with a sub-limit of Rs.6,000 crores for borrowings through non-convertible debentures and Rs. 750 crores through issue of commercial papers:

Mr. S Nagarajan – Executive Vice Chairman

Mr. Sachin Pillai – Chief Executive Officer

Mr. G Vijayakumar – Chief Financial Officer

RESOLVED FURTHER THAT the above officials be and are hereby authorised (any two jointly) to take decision for the requirement of the funds and to make borrowings of the required amount within the above ceiling and to negotiate, settle and finalise all terms and conditions for the borrowings and to offer and provide security and to create, extend charge on the assets of the Company, as they may consider appropriate in the interest of the Company.

RESOLVED FURTHER THAT the banking current account(s) be opened to avail the above said loan / borrowing facility be operated by any two (jointly) of the above mentioned authorised signatories.

RESOLVED FURTHER THAT the above officials be and are hereby severally authorised and empowered to execute and sign the loan, security documents, bank account opening forms and other

For **HINDUJA LEYLAND FINANCE LIMITED**

A handwritten signature in blue ink, appearing to read 'Vachin' or 'Vachin Pillai'.

Sachin Pillai

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Chief Executive Officer



documents required by the lenders / banks and to affix the Common Seal of the Company in terms of Articles of Association of the Company.

RESOLVED FURTHER THAT Mr. S. Nagarajan, Executive Vice Chairman be and is hereby authorised to provide and execute specific power of attorney in favour of identified officials of the Company, as he may deem fit, for execution and signing of loan, security documents and such other documents on behalf of the Company as required by the lenders / banks / institutions in relation to borrowings duly approved by the competent authority of the Company within the overall borrowing limits up to a ceiling of Rs.20,000 crores as per the approved terms and to affix the common seal of the Company in terms of Articles of Association of the Company.

For **HINDUJA LEYLAND FINANCE LIMITED**

A handwritten signature in blue ink, appearing to read 'Vash'
Sachin Pillai
Chief Executive Officer

HINDUJA LEYLAND FINANCE LIMITED

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Website : www.hindujaleylandfinance.com

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**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS AT THE
ANNUAL GENERAL MEETING OF HINDUJA LEYLAND FINANCE LTD HELD ON 19th JUNE, 2017**

RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in terms of the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to borrow from time to time whether in Indian rupees or foreign currency (including external commercial borrowings in foreign denominated currencies from any foreign source / countries as prescribed by guidelines, if any in this respect) from any one or more of the Company's bankers and / or from any one or more persons, firms, bodies corporate, financial institutions, banks or other acceptable source whether by way of advances, deposits, loans, debentures, bonds or other securities whether convertible into equity / preference shares and / or securities with or without detachable warrants with a right exercisable by the warrant holder(s) to convert or subscribe for equity / preference shares to bank(s), financial or other institution(s), mutual fund(s), non-resident Indians, foreign institutional investors or any other person(s), body(ies) corporate, etc., whether shareholder of the Company or not, whether unsecured or secured and on such terms and conditions as the Board may deem fit, notwithstanding however, that the total borrowings exceed the aggregate of paid-up capital and free reserves of the Company, provided however that the aggregate of amounts so borrowed and outstanding at any one time (apart from temporary loans obtained from the company's bankers in the ordinary course of business) shall not exceed an amount of Rs.20,000 crores (Rupees twenty thousand crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee or any Director(s) or any other Officer(s) of the Company to give effect to the above resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion deem fit,

For **HINDUJA LEYLAND FINANCE LIMITED**

Sachin Pillai

Chief Executive Officer

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HINDUJA LEYLAND FINANCE

necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.

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

For HINDUJA LEYLAND FINANCE LIMITED


Sachin Pillai
Chief Executive Officer

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ANNUAL GENERAL MEETING OF HINDUJA LEYLAND FINANCE LTD HELD ON 19th JUNE, 2017**

RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and in terms of the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent of the members be and is hereby accorded to sell, mortgage and / or create charge, in addition to the mortgages / charges created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms and conditions as may be determined, on all or any of the movable and / or immovable properties of the Company and / or the interest held by the Company in all or any of the movable and / or immovable properties, both present and future and / or the whole or any part of the undertaking(s) of the Company, in favour of lender(s), agent(s) and trustee(s) for securing the borrowings of the Company availed / to be availed by way of loan(s) and securities (comprising non-convertible debentures, bonds or other debt instruments), issued / to be issued by the Company, from time to time, together with interest at the respective agreed rates and all other costs, charges and expenses and all other monies payable by the Company in terms of the loan agreement(s), debenture trust deed(s) or any other agreement / document, entered into / to be entered into between the Company and the lender(s) / investor(s) / agent(s) and / or trustee(s), in respect of the said loans, borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Company and the lender(s), agent(s) and / or trustee(s).

RESOLVED FURTHER THAT the board of directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorised to finalise and execute such debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and all such deeds, documents, instruments or writings as may be necessary, proper, desirable or expedient as they may deem fit and to do all such acts, deeds and things and give such directions, as may be deemed necessary, desirable or expedient, to give effect to this resolution.

For **HINDUJA LEYLAND FINANCE LIMITED**

A handwritten signature in blue ink, appearing to read 'Vach'.

Sachin Pillai

Chief Executive Officer

HINDUJA LEYLAND FINANCE LIMITED

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ANNUAL GENERAL MEETING OF HINDUJA LEYLAND FINANCE LTD HELD ON 19th JUNE, 2017**

RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or reenactment thereof, for the time being in force), SEBI (Issue and Listing of Debt Securities) Regulation 2008 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force)and in terms of the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent of the members of the Company be and is hereby accorded to offer, issue and allot secured / unsecured redeemable non-convertible debentures, in one or more series / tranches, secured and unsecured non-convertible debentures on private placement basis for a term of one year from the date of this ninth annual general meeting for an amount not exceeding Rs.6,000 crores (Rupees Six Thousand crores only) within the overall borrowing limits of the Company, as approved by the members, on such terms and conditions and at such times at par or at such premium as may be decided by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), from time to time, to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension / provident funds and individuals, as the case maybe or such other person / persons as the Board may determine and consider proper and most beneficial to the company including rate of interest, tenure and security cover thereof, the consideration for the issue, utilisation of the issue proceeds, redemption of the same and all other matters connected with or incidental thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and give such directions and execute such documents, deeds, instruments and take such steps as may be necessary, proper or expedient to give effect to this resolution.

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

For **HINDUJA LEYLAND FINANCE LIMITED**
Vach
Sachin Pillai
Chief Executive Officer

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