

**CNH Industrial Capital
(India) Private Limited**
Registered Office:

Level-4, Rectangle-I
D4, Behind Marriot Hotel
Commercial Complex, D-4,
Saket, New Delhi – 110017
Tel: 011-66544146

Corporate Office

4th Floor, Plot no. 14A, Sector
18
ATC Building, Maruti Industrial
Complex,
Gurugram – 122015 Haryana,
India
Tel : +91 124-6659104
E-mail :
cnhicapindia@cnhind.com

CIN:
U65999DL2017PTC325228

DISCLOSURE DOCUMENT
**CHAPTER XVII- Listing of Commercial Paper
[See Chapter VI of SEBI NCS Regulations, 2021]**

- A. An issuer who desires to list CP shall forward an application for listing along with following disclosures to the concerned stock exchange(s)

Disclosures to be provided along with the application for listing:

1. Issuer details:

1.1 Details of the issuer:

- (i) **Name** - CNH Industrial Capital (India) Private Limited (CNHICI)

Registered Office Address - 4th Floor Rectangle No.1 Behind Marriot Hotel, Commercial Complex D4, Saket, South Delhi 110017, New Delhi

Corporate Office Address: 4th Floor, Plot No. 14A, Sector – 18, ATC Building, Maruti Industrial Complex, Gurugram-122015 Haryana

CIN - U65999DL2017PTC325228

PAN – AAHCC2506R

Line of business – Non-public deposit accepting Non-banking financial institution

The CNHI group incorporated CNHICI, a wholly owned subsidiary of CNHI, on 23 October 2017 to function as the captive finance company of the CNH Industrial group in India. CNHICI obtained non-deposit taking non-banking financial company license from the Reserve Bank of India on 2 April 2018.

CNH Capital is a wholly owned subsidiary of CNHI India, which in turn, is indirectly wholly owned by CNH Industrial. The NBFC finances to dealers and customers of CNHI India and Case NHC's construction equipment business. CNHI India has been present in India since 1992 and is primarily involved in manufacturing agricultural equipment, such as tractors and farm mechanisation solutions, such as pneumatic planters, boom sprayers, mowers, rotavators, balers and rakes with strong profitable record. Case NHC has been present in India since 1998 and manufactures construction equipment, including compactors and loader backhoe with a strong profitable track record.

Chief Executive (Managing Director / President/ CEO / CFO): Mr. Vishal Chaudhury

Group affiliation (if any): CNH Industrial N.V. Group

1.2 Details of the directors:

Name, designation and DIN	Age	Address	Director since	List of other directorships
Mr. Vishal Chaudhury, Managing Director DIN 09463209	49	89, Fifth Floor, Block No. D-6, Penta VIP Tower, VIP Road, Zirakpur SAS Nagar, Mohali, Punjab 140603	27/01/2022	-

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Mr. Daniel James Mctaggart, Director DIN 07926746	63	12, Fiddlewood Grove, Menai NSW, Australia- 2234	23/10/2017	CNH industrial Capital Australia Pty Ltd; CNH Industrial Capital Russia LLC, Iveco Capital Russia LLC, CNH Industrial Capital (Shanghai) Commercial Factoring Co. Limited
Mr. Magneshwar Prasad Singh, Director DIN 08241412	49	18, Rosewood Avenue, Prestons, Sydney, New South Wales, Australia- 2170	26/06/2019	-
Mr. Narinder Mittal Director DIN 07382202	51	90G, Sector 7, Jasola Vihar, New Friends Colony, South Delhi -110025	10/02/2023	CNH Industrial (India) Private Limited
Mr. Pankaj Gupta Additional Director DIN 10432477	42	R/o A9-703, Tulip White, Sector 69, Badshahpur, Gurgaon 122101, Haryana, India	31/01/2024	-

1.3 Details of change in directors in last three financial years including any change in the current year:

Name, designation and DIN	Date of appointment/ resignation	Date of cessation (in case of resignation)	Remarks (viz. reasons for change etc)
Mr. Amit Kakkar Managing Director DIN 08254518	19/02/2019	10/09/2021	Resignation
Mr. Magneshwar Prasad Singh, Director DIN 08241412	26/06/2019	-	Appointment
Mr. Vishal Chaudhury, Managing Director DIN 09463209	27/01/2022	-	Appointment
Mr. Raunak Varma, Director, DIN 07234008	23/10/2017	31/01/2023	Resignation
Mr. Narinder Mittal Director DIN 07382202	28/09/2023	-	Appointment
Mr. Pankaj Gupta Additional Director DIN 10432477	31/01/2024	-	Appointment

CNH Industrial Capital (India) Private Limited

1.4 List of top 10 holders of equity shares of the company as on date or the latest quarter end:

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S. No	Name and category of shareholder	Total no. of equity shares	No of shares in demat form	Total shareholding as % of total no. of equity shares
01	CNH Industrial (India) Private Limited	39,71,99,999	-	100%
02	Case New Holland Construction Equipment (India) Private Limited (Nomine Shareholder of CNH Industrial (India) Private Limited)	01	-	-

1.5 Details of the statutory auditor:

Name and address	Date of appointment	Remarks
M/s S S Kothari Mehta & Co. LLP, Plot No. 68, Okhla, Industrial Area, Phase – III, New Delhi - 110020	September 30, 2021	Appointed for a period of three years until the conclusion of the Seventh Annual General Meeting of the Company (FY: 2021-22 to 2023-24)

 1.6 Details of the change in statutory auditors in last three financial years including any change in the current year: **NO CHANGE IN STATUTORY AUDITORS IN LAST THREE FINANCIAL YEARS.**

Name, address	Date of appointment/ resignation	Date of cessation (in case of resignation)	Remarks (viz. reasons for change etc)

 1.7 List of top 10 debt securities holders (as on 30th June 2024):

S. No.	Name of holder	Category	Face value	Holding of debt securities as a percentage of total debt securities outstanding of the issuer
NOT APPLICABLE				

1.8 List of top 10 CP holders (as on June 30, 2024):

S. No.	Name of CP holder	Category of CP holder	Face value of CP holding	CP holding percentage as a percentage of total CP outstanding of the issuer
1	Yes Bank Ltd.	Bank	INR 50 Crore	100%

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2. Material Information:

- 2.1 Details of all default/s and/or delay in payments of interest and principal of CPs, (including technical delay), debt securities, term loans, external commercial borrowings and other financial indebtedness including corporate guarantee issued in the past 5 financial years including in the current financial year:-

No defaults and/or delays in payments

- 2.2 Ongoing and/or outstanding material litigation and regulatory strictures, if any.:- *No Significant or Material order passed by the regulators or courts or tribunal or any outstanding material litigation as on date.*

No ongoing/outstanding material litigation and regulatory strictures.

- 2.3 Any material event/ development having implications on the financials/credit quality including any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event which may affect the issue or the investor's decision to invest / continue to invest in the CP:-

The Issuer hereby declares that there has been no material event, development or change on the financials/credit quality (eg. Any material regulatory proceedings against Issuers/promoters. Tax litigations resulting in material liabilities, corporate restructuring events etc) at the time of issue, which may affect the Issue or the Investors decision to invest/continue to invest in the CP.

3. Details of borrowings of the company, as on the latest quarter end (June 30, 2024):
3.1 Details of debt securities and CPs:

Series	ISIN	Tenor/ Period of maturity	Coupon	Amount issued	Date of allotment	Redempti on date/ Schedule	Credit rating	Secured/ Unsecured	Security	Other Details viz. Details of IPA, Details of CRA
Commercial Paper	INE0P4D 14051	88 Days	7.68%	INR 50 Crore	28-June- 24	24-Sept- 24	CRISIL A1+ and IND A1+	Unsecured	NA	IPA- HDFC Bank Ltd., Treasury Operations, Lodha I Think Techno Campus, 4th Floor, Near Kanjur Marg Railway Station, Kanjur Marg (East), Mumbai – 400042 Credit Ratings - Crisil Ratings And India Ratings and Research (Ind-Ra)

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3.2 Details of secured/ unsecured loan facilities/ bank fund-based facilities/ rest of the borrowing, if any, including hybrid debt like foreign currency convertible bonds (FCCB), optionally convertible debentures / preference shares from banks or financial institutions or financial creditors, as on last quarter end:

Table A: Details of loan facilities, bank fund based facilities, other borrowings, etc

a) Details of Unsecured Loan Facilities as on June 30, 2024

Lender' s Name/ Name of the Bank	Nature of facility/ instrument	Amount sanctio ned (In Crore)	Principal Amount outstandin g (In Crore)	Repayment date / schedule	Security, if applicable	Credit rating, if applicabl e	Asset classifica tion
Bank of America N.A.	Short Term Facility	268.50	212.00	Tenor upto 1 year	Unsecured	NA	Standard
	Term Loan Facility	344.80	239.60	Tenor upto 4 year	Unsecured	NA	Standard
DBS Bank India Limited	Term Loan Facility	500.00	13.80	Tenor upto 4 year	Unsecured	NA	Standard
Sumitomo Mitsui Banking Corporation	Short Term Facility	70.00	-	Tenor upto 6 months	Unsecured	NA	Standard
	Term Loan Facility	210.00	-	Tenor upto 4 year	Unsecured	NA	Standard
Credit Agricole Corporate and Investment Bank	Short Term Facility	80.00	80.00	Tenor upto 6 months	Unsecured	NA	Standard
	Term Loan Facility	220.00	20.00	Tenor upto 4 year	Unsecured	NA	Standard
HDFC Bank Ltd	Term Loan Facility	300.00	24.10	Tenor upto 4 year	Unsecured	NA	Standard
MUFG Bank	Term Loan Facility	336.00	-	Tenor upto 3 year	Unsecured	NA	Standard
The Hongkong and Shanghai Banking Corporation Limited	Term Loan Facility	140.00	12.00	Tenor upto 4 year	Unsecured	NA	Standard
Citi Bank N.A.	Short Term Facility	315.00	80.00	Upto 1 Year	Unsecured	NA	Standard
Axis Bank	Term Loan Facility	440.00	298.11	Tenor upto 4 year	Unsecured	NA	Standard
ICICI Bank Limited	Term Loan Facility	225.00	79.10	Tenor upto 4 year	Unsecured	NA	Standard
Standard Chartered Bank	Term Loan Facility	130.00	116.25	Tenor upto 4 year	Unsecured	NA	Standard
Total			1174.96				

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b) Details of other Borrowings as on 30th June, 2024:-

Lender's Name/ Name of the Bank	Nature of facility/ instrument	Amount sanctioned	Principal Amount outstanding	Repayment date / schedule	Security, if applicable	Credit rating, if applicable	Asset classification
NIL							

- 3.3 The amount of corporate guarantee or letter of comfort 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, contingent liability including debt service reserve account (DSRA) guarantees/ any put option etc.

The Issuer hereby declares that it has not issued any sort of corporate guarantee or letter of comfort in favor of anyone

4. Issue Information:

- 4.1 Details of current tranche including ISIN, amount, date of issue, maturity, all credit ratings including unaccepted ratings, date of rating, name of credit rating agency, its validity period (details of credit rating letter issued not older than one month on the date of opening of the issue), details of issuing and paying agent and other conditions, if any.

Particulars	Details				
ISIN	INE0P4D14069				
Amount of Issue in Face Value (INR)	INR 50 Crore (Rupees Fifty Crore only)				
Date of Issue	July 15, 2024				
Date of Maturity	October 14, 2024				
all credit ratings, Date of Rating, name of credit rating agency, Validity	Credit Rating Agency	Date of Rating	Credit Rating	Validity	
	CRISIL Ratings	June 25, 2024	A1+	1 year	
	India Rating	June 25, 2024	A1+	1 year	
Issuing and Paying Agent	HDFC Bank Limited				
Other Conditions	Nil				

- 4.2 CP borrowing limit, supporting board resolution for CP borrowing, details of CP issued during the last 15 months.-

CP borrowing limit	INR 499.00 Crore
Supporting Board Resolution	Enclosed as Annexure I
details of CP issued during the last 15 months	As mentioned below

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<u>Investor Name</u>	<u>ISIN No.</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Days</u>	<u>Amount</u>	<u>Coupon</u>
Barclays Bank PLC	INE0P4D14010	31-May-23	28-Aug-23	89	800,000,000	7.25%
Barclays Bank PLC	INE0P4D14028	31-Jul-23	01-Nov-23	93	700,000,000	7.15%
Barclays Bank PLC	INE0P4D14036	22-Dec-23	21-Mar-24	90	1,500,000,000	7.45%
Barclays Bank PLC	INE0P4D14044	27-Mar-24	25-Jun-24	90	1,500,000,000	7.40%
Yes Bank Ltd	INE0P4D14051	28-Jun-24	24-Sep-24	88	500,000,000	7.68%

4.3 End-use of funds:- **For On Lending to wholesale borrowers**

4.4 Credit Support/enhancement (if any): **Not Applicable**

- i. Details of instrument, amount, guarantor company
- ii. Copy of the executed guarantee
- iii. Net worth of the guarantor company
- iv. Names of companies to which guarantor has issued similar guarantee
- v. Extent of the guarantee offered by the guarantor company
- vi. Conditions under which the guarantee will be invoked

5. Financial Information:

- 5.1 Audited / Limited review half yearly consolidated (wherever available) and standalone financial information (Profit & Loss statement, Balance Sheet and Cash Flow statement) along with auditor qualifications, if any, for last three years along with latest available financial results.- **Attached as Annexure II**

In case an issuer is required to prepare financial results for the purpose of consolidated financial results in terms of Regulation 33 of SEBI LODR Regulations, latest available quarterly financial results shall be filed- **Not applicable**

- 5.2 Latest audited financials should not be older than six month from the date of application for listing:- **Audited Standalone Financial Results for the period ended March 31, 2024**

- 5.3 Provided that listed issuers (who have already listed their specified securities and/or NCDs and/or NCRPS who are in compliance with SEBI LODR Regulations 2015, and/or issuers (who have outstanding listed CPs) who are in compliance with the continuous listing conditions mentioned at paragraphs 7-10 below, may file unaudited financials with limited review for the stub period in the current financial year, subject to making necessary disclosures in this regard including risk factors.-

- 5.4 Latest available limited review quarterly financial results in case an issuer is not having any listed specified securities and is required to prepare such results on Page 81 of 88 quarterly basis for consolidation of financial results of its holding company, under the requirement of any applicable law(s).

6. Asset Liability Management (ALM) Disclosures:

6.1 Summarized Lending Policy including overview of origination, risk management, monitoring and collections

CNHIC has in place policies for both Commercial/Wholesale lending and retail lending, which are the guiding documents for the respective lending operations of the Company.

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The objectives of the lending policy include building the right credit culture across the Company in line with the identified regulatory and legal risks; building good quality and well diversified portfolio, ensuring compliance with various prudential norms pertaining to the loan portfolio as stipulated by the Reserve Bank of India (“the RBI”); ensuring that adequate return on capital deployed is generated, commensurate with the overall risk of portfolios.

The Board of Directors (“BoD”) or delegated committee constituted by the board of CNHI Capital viz., the India Credit Committee (“ICC”) oversees the establishment and amendment of policies, strategies and procedures with respect to lending and thereafter recommend to the Board for approval. The Company has a compliance framework in place to monitor and test the company’s ongoing compliance with the lending policy, applicable funding arrangements and regulatory requirements. The credit risk mechanism consists of policies and practices which ensure that the credit risk is measured and monitored at both, account level and portfolio level.

For Wholesale Lending, Financing Products are made available/offered strictly to the CNHI approved dealers for products/spare parts manufactured by the CNH Group Companies. There are certain restrictions as well guided by the Lending Policy. Each dealer seeking credit facilities undergoes assessment for credit worthiness (Credit Limit Review “CLR”). Factors taken into consideration for the assessment of a dealer includes (i) Financial analysis (latest financial statements and/or income statement submitted by the dealer), (ii) CNHI repayment experience, (iii) Credit history/past performance (iv) Bank Guarantee, (v) Business Target (vi) Achievements and such other relevant Information.

Based on the credit assessment, each dealer is assigned a rating (among A, B, C or D) using an internal Credit Rating Model. The company manages and controls credit risk by setting limits and monitors the risk and the market value of collateral available on a regular basis. The credit proposals are approved at senior management levels as per Board approved authorities, due to the nature and complexities of the facilities offered.

There are periodic reviews conducted as defined in the company’s Credit Policy. As a part of due diligence process, analysis is conducted on dealer financials, Group financial, background of promoters & Net-worth statements etc.

The credit administration and monitoring function involves ongoing administration of the loan account, review of changes in sanction terms and conditions, behavior classification of customers to establish appropriate collections and administrative activity, rating management monitoring through stock audit process and monitoring of loan based on early warning signals.

The Retail lending is the master guiding document for all retail lending operations of the company.

A detailed due diligence and credit risk assessment of the customers is done by the credit team by performing customer profile check, demographic information assessment, payment viability, study of financial documents, and analysis of credit bureau records. Decisioning on the loan application is done basis above mentioned information using internally defined credit decision criteria. This approach ensures transparency, accuracy, and regulatory compliance throughout our credit decision process. The company has established a delegation of authority based on the exposure and risk of the customers. The company has established Credit Committee comprises of senior management to periodically review and monitor credit risk and performance of portfolio across various segments. It also has a Loan review mechanism for constantly evaluating the quality of portfolio. Monitoring mechanisms are in place to identify early warning signals which result in early detection of potential stress accounts and thus ensuring early action for resolution of such accounts

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6.2 Classification of loans/advances given to associates, entities/person relating to board, senior management, promoters, others, etc – NOT APPLICABLE

Disclosure as specified for NBFCs in SEBI circular nos. CIR/IMD/DF/12/2014, dated June 17, 2014 and CIR/IMD/DF/6/2015, dated September 15, 2015

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

6.3.1 Types of Loans as on 31st March'24

Types of Loans	Rs. Crores
(i) Secured	1,839.59
(ii) Unsecured	-
Total assets under management	1,839.59

6.3.2 Sectoral Exposures as on 31st March'24

Segment Wise Break-up of AUM	Percentage of AUM
1. Retail	
Vehicle Finance	74.60%
2. Wholesale	
Others	25.40%

6.3.3 Denomination of loans outstanding by Loan To Value as on 31st March'24

Retail Loans	(Amount in Rs. Crores)			
	Stage 1	Stage 2	Stage 3	Total
LTV Ratio				
Less than 50%	92.35	1.19	3.21	96.75
51-90%	999.08	47.17	115.31	1,161.56
91-100%	112.12	0.96	0.87	113.95
Total	1,203.55	49.32	119.39	1,372.26

Commercial Finance	(Amount in Rs. Crores)			
	Stage 1	Stage 2	Stage 3	Total
LTV Ratio				
91-100%	396.95	29.54	40.84	467.33
More than 100%	-	-	-	-
Total	396.95	29.54	40.84	467.33

6.3.4 Denomination of loans outstanding by ticket size as on 31st March'24

Ticket Size	% of AUM
Up to 2 lakhs	0.23%
INR 2-5 Lakhs	13.35%
INR 5-10 Lakhs	36.98%
INR 10-25 Lakhs	9.18%
INR 25-50 Lakhs	7.84%
INR 50 lakhs - 1 Crore	8.55%
INR 1-5 Crore	18.27%
INR 5-25 Crore	5.60%

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6.3.5 Geographical classification of borrowers as on 31st March'24

Top 5 States	% of AUM
i. Maharashtra	17.32%
ii. Madhya Pradesh	13.89%
iii. Gujarat	11.71%
iv. Haryana	9.08%
v. Punjab	7.44%

6.3.6 Residual maturity of Assets and Liabilities as on as on 31st March'24

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 Year	Over 1 Year and upto 3 Years	Over 3 Years and upto 5 Years @	Over 5 Years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances *	40.13	3.00	36.55	74.49	187.22	382.15	251.83	574.35	191.55	8.27	1,749.54
	(35.91)	(7.48)	(31.70)	(86.50)	(208.89)	(410.92)	(264.26)	(558.61)	(178.97)	(11.00)	(1,794.24)
Investments	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Borrowings	-	-	136.04	46.92	192.30	179.00	249.55	438.11	52.24	-	1,294.16
	-	-	(108.98)	(225.96)	(99.15)	(148.95)	(316.48)	(371.88)	(115.72)	-	(1,387.12)
Foreign currency assets \$	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign currency liabilities \$	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

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6.4 Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs from time to time
Concentration of Exposures as on 31st March'24
(Amount in Rs. cr)

Particulars	As at 31 March 2024
Total exposure to twenty largest borrowers/customers	186.20
Percentage of exposures to twenty largest borrowers/customers to total exposures of the NBFC on borrowers / customers	9.97%

6.5 Details of loans, overdue and classified as non-performing in accordance with RBI Stipulations
Movement of NPAs as on 31st Mar'24
(Amount in Rs. cr)

Particulars	As at 31 March 2024
(i) Net NPAs to Net Advances (%)	4.01%
(ii) Movement of NPAs (Gross)	
(a) Opening balance	211.88
(b) Additions during the year	97.75
(c) Reductions during the year	(149.40)
(d) Closing balance	160.23
(iii) Movement of net NPAs	
(a) Opening balance	85.61
(b) Additions during the year	43.18
(c) Reductions during the year	(58.60)
(d) Closing balance	70.19
(iv) Movement of provisions for NPAs	
(a) Opening balance	126.27
(b) Additions during the year	54.57
(c) Write off / Write back of excess provisions	(90.80)
(d) Closing balance	90.04

6.6 A portfolio summary with regard to industries/sectors to which borrowings have been made:
Loans to industries/sector as on 31st Mar'24
(Amount in Rs. cr)

Total Loans & Advances	1,839.59
Loans to Corporates	46.15
Loans to Retail Customers	1,372.26
Others	421.18

**CNH Industrial Capital
(India) Private Limited**

Registered Office:
Level-4, Rectangle-I
D4, Behind Marriot Hotel
Commercial Complex, D-4,
Saket, New Delhi – 110017
Tel: 011-66544146

Corporate Office
4th Floor, Plot no. 14A,
Sector 18
ATC Building, Maruti
Industrial Complex,
Gurugram – 122015
Haryana, India
Tel : +91 124-6659104
E-mail :
cnhicapindia@cnhind.com

CIN:
U65999DL2017PTC325
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6.7 NPA Exposures of the issuer for the last three years (both gross and net exposures) and provisioning made to the same as per the last audited financial statements of the issuer.
Net Exposure of the issuer for the last three financial years (both gross and net exposures) with provisioning

(Amount in Rs. Crores)

Particulars	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-21
(i) Net NPAs to Net Advances (%)	4.77%	4.54%	3.15%
(ii) Movement of NPAs (Gross)			
(a) Opening balance	199.92	117.75	66.06
(b) Additions during the year	136.26	142.69	83.21
(c) Reductions during the year	(124.30)	(60.53)	(31.52)
(d) Closing balance	211.88	199.92	117.75
(iii) Movement of net NPAs			
(a) Opening balance	82.59	55.73	38.00
(b) Additions during the year	53.42	71.51	39.21
(c) Reductions during the year	(50.40)	(44.65)	(21.48)
(d) Closing balance	85.61	82.59	55.73
(iv) Movement of provisions for NPAs			
(a) Opening balance	117.33	62.02	28.06
(b) Additions during the year	82.84	71.19	44.00
(c) Write off / Write back of excess provisions	(73.90)	(15.88)	(10.04)
(d) Closing balance	126.27	117.33	62.02

6.8 Quantum and percentage of secured vis-à-vis unsecured borrowings made: Refer table under Point 6.3.1
6.9 Any change in promoters holding during the last financial year beyond the threshold, as prescribed by RBI – No change

For CNH Industrial Capital India Private Limited

RINI
JANGID

Digitally signed
by RINI JANGID
Date:
2024.07.15
11:59:24 +05'30'

Rini Jangid

Authorised Signatory

Date: July 15, 2024

Place: Gurugram

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CNH INDUSTRIAL CAPITAL (INDIA) PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **CNH INDUSTRIAL CAPITAL (INDIA) PRIVATE LIMITED** ("the Company"), which comprise the Balance sheet as at March 31, 2022, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity and the Statement of cash flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as ("the financial statements")).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter – Outbreak of Coronavirus

We draw attention to Note 2.45 of the accompanying financial statements which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the Company's operations and financial metrics including impairment loss allowance as at March 31, 2022. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but



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& COMPANY
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does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged With Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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CHARTERED ACCOUNTANTS

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



Other Matter

The financial statements of the company for the year ended March 31, 2021 were audited by erstwhile auditors, S. R. Batliboi & Associates LLP who expressed an unmodified opinion on those statements on June 29, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2022.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. Refer Note 2.42(a) to the Financial Statements.
 - ii. The company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts.



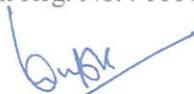
S S KOTHARI MEHTA
& COMPANY
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- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
- iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year ended March 31, 2022.

For **S S Kothari Mehta & Company**

Chartered Accountants

Firm Reg. No. : 000756N



Vijay Kumar

Partner

Membership No. 092671



Place: New Delhi

Date: June 30, 2022

UDIN: 22092671 AMIDPP8592

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of CNH INDUSTRIAL CAPITAL (INDIA) PRIVATE LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. The Property, Plant & Equipment and right to use assets have been physically verified by the management according to programme of periodical verification in a phased manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its Assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification of assets due for physical verification in the current year.
 - c. Based on the information and explanation given to us, the Company does not have any immovable property, hence reporting under clause 3(i) (c) of the order is not applicable.
 - d. According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
 - e. According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company's business does not involve inventories and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.



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& COMPANY
 CHARTERED ACCOUNTANTS

iii. According to the information and explanation given to us and based on our examination of records, the Company has made investments in companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

- (a) Reporting under clause 3(iii)(a) of the Order is not applicable as the Company is a Non-Banking Financial Company.
- (b) In our opinion, the terms and conditions of the grant of all loans provided, during the year are, prima facie, not prejudicial to the Company's interest. Company has not made investment or provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation. Since, the Company is a NBFC whose principal business is to give loans and considering the significant volume of transactions with number of borrowers furnishing the number of cases of default is practically not feasible.
- (d) In respect of loans granted by the Company, the details of total amount overdue above 90 days are as follows:

(Amount in Rs. million)

Type of Loan	Nos of Cases	Principal Overdue	Interest Overdue	Total Overdue
Retail	2,873	300.14	115.63	415.77
Wholesale	81	182.54	24.83	207.37
Total	2,954	482.68	140.46	623.14

Based on the information & explanations given to us, reasonable steps have been taken by the company for recovery of principal & interest.

- (e) Reporting under clause 3(iii)(e) of the Order is not applicable as the Company is a Non-Banking Financial Company.
 - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence the reporting under clause 3(iii)(f) is not applicable.
- iv. According to the information and explanations given to us, the Company has not given any loan or guarantee or made any investments or provided any security covered under section 185 and 186 of the Companies Act, 2013.



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- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Income Tax, Sales Tax, Service Tax, duty of Custom, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income Tax, Sales Tax, Service Tax, duty of Custom, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- b. There is no statutory dues referred to in sub clause (a) above which have not been deposited as on March 31, 2022 on account of disputes.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) Based on the information and explanations obtained by us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.
- (d) According to the information and explanation given to us and based on our examination of records, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanation given to us and based on our examination of records, the company does not have any subsidiary or joint venture or associates and hence, reporting under clause 3(ix)(e) of the Order is not applicable.



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(f) According to the information and explanation given to us and based on our examination of records, the company does not have any subsidiary or joint venture or associates and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) According to the information and explanation given to us and based on our examination of records, no fraud by the company or on the company has been noticed or reported during the period covered by our audit except management reported, as mentioned in Note 2.47, few instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees involving amount aggregating to INR 3.81 million. The Company has terminated services of such employees and also initiated legal action against them. As informed, till the date of issuance of our report, company has recovered INR 1.70 million.

(b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle-blower complaints received by the company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.

xiv. (a) According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.



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- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. (a) The Company was required to be registered under Section 45IA of the Reserve Bank of India Act, 1934 as a NBFC and has obtained the certificate vide no. N-14.03413 dated April 02, 2018.
- (b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and based on our examination of the records, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. In terms of RBI Circular RBI/2021-22/25 dated April 27, 2021, w.r.t. guidelines for appointment of statutory auditors of Banks and NBFCs, the previous statutory auditors of the Company had resigned during the period under audit. We have obtained no objection from the previous statutory auditors and no issues have been informed to us.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) As per information and explanations given to us, there are no unspent amounts pursuant to ongoing projects with respect to CSR requiring a transfer to a special account as per sub-section (6) of section 135 of the said Act . Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. : 000756N


Vijay Kumar
Partner
Membership No. 092671



Place: New Delhi
Date: June 30, 2022
UDIN: 22092671AM1DPP8592

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of
CNH INDUSTRIAL CAPITAL (INDIA) PRIVATE LIMITED.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and
Regulatory Requirements’ of our Independent Auditor’s Report**

We have audited the internal financial controls over Financial Reporting of **CNH INDUSTRIAL
CAPITAL (INDIA) PRIVATE LIMITED** (“the Company”) as of March 31, 2022 in conjunction
with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to Ind AS financial statements.



Meaning of Internal Financial Controls with reference to financial statements

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

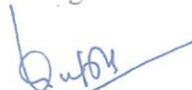
Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. : 000756N


Vijay Kumar
Partner
Membership No. 092671



Place: New Delhi

Date: June 30, 2022

UDIN: 22092671 AMIDPP8592

CNH Industrial Capital (India) Private Limited

Balance Sheet as at 31 March 2022

(All amounts are in Rupees Millions except share data and unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Financial assets			
a) Cash and cash equivalents	2.1	600.81	534.93
b) Receivables			
i) Trade receivables	2.2	40.13	42.19
ii) Other receivables	2.3	2.16	-
c) Loans	2.4	17,852.07	17,408.74
d) Other Financial assets	2.5	9.98	2.74
Non-financial assets			
a) Non Current tax assets (net)	2.6	193.13	116.03
b) Deferred tax assets (net)	2.7	457.40	300.48
c) Property, plant and equipment	2.8 (a)	27.25	12.87
d) Intangible assets under development	2.8 (b)	-	1.49
e) Other Intangible assets	2.8 (c)	4.89	16.07
f) Other non-financial assets	2.9	44.60	37.28
Total Assets		19,232.42	18,272.82
Liabilities and Equity			
Financial liabilities			
a) Derivative financial instruments	2.27	31.73	154.42
b) Payables			
i) Other Payables			
- Total outstanding dues of micro enterprises and small enterprises	2.10	0.58	0.09
- Total dues of creditors other than micro enterprises and small	2.10	87.30	82.23
c) Debt securities	2.11	315.00	630.00
d) Borrowings (Other than Debt Securities)	2.12	14,168.71	13,244.55
e) Other financial liabilities	2.13	412.48	447.31
Non-financial liabilities			
a) Provisions	2.14	29.60	29.79
b) Other non-financial liabilities	2.15	15.38	17.24
Equity			
a) Equity share capital	2.16	3,972.00	3,637.00
b) Other equity	2.17	199.64	30.19
Total Liabilities and Equity		19,232.42	18,272.82
Summary of significant accounting policies		1	

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S S Kothari Mehta & Company
Chartered Accountants
ICAI Firm Registration No. 000756N



per Vijay Kumar
Partner
Membership No. 092671



Place: Gurugram
Date: 30.06.2022

For and on behalf of the Board of Directors of
CNH Industrial Capital (India) Private Limited



Vishal Chaudhury
Managing Director
DIN No.: 09463209

Place: Gurugram
Date: 30.06.2022



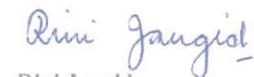
Raunak Varma
Director
DIN No.: 07234008

Place: Gurugram
Date: 30.06.2022



Inderjeet Mehta
Chief Financial Officer

Place: Gurugram
Date: 30.06.2022



Rini Jangid
Company Secretary
Membership No.: 24950

Place: Gurugram
Date: 30.06.2022

CNH Industrial Capital (India) Private Limited
Statement of profit and loss for the year ended 31 March 2022
(All amounts are in Rupees Millions except share data, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations			
Interest income	2.18	2,190.21	1,843.52
Fee income	2.19	70.50	52.31
Total Revenue from operations		2,260.71	1,895.84
Other Income	2.20	18.59	-
Total Income (I)		2,279.30	1,895.84
Expenses			
Finance costs	2.21	848.77	727.14
Impairment on financial instruments	2.22	737.00	428.82
Employee benefits expense	2.23	237.50	211.28
Depreciation and amortisation	2.24	20.93	39.25
Other expenses	2.25	307.44	246.00
Total expenses (II)		2,151.64	1,652.49
Profit before tax (III)= (I)-(II)		127.66	243.34
Tax expenses:			
Current Income tax		159.25	178.76
Deferred tax		(168.02)	(124.51)
Total tax expenses (IV)		(8.77)	54.25
Profit after tax (III)-(IV)		136.43	189.09
Other comprehensive (loss) / income			
a) Items that will not be reclassified to profit or loss			
i) Re-measurement gain/ (loss) on defined benefit plans		2.27	0.57
ii) Income tax impact on items that will not be reclassified to profit or loss		(0.57)	(0.14)
b) Items that will be reclassified to profit or loss			
i) Fair Value Loss on derivative Financial Instruments		41.86	(71.21)
ii) Income tax impact on items that will not be reclassified to profit or loss		(10.54)	17.92
Total Other comprehensive income/(loss) for the year (net of tax)		33.02	(52.86)
Total Comprehensive income for the year		169.45	136.23
Earnings per equity share	2.26		
Basic (Rs.)		0.35	0.54
Diluted (Rs.)		0.35	0.54
Nominal value per share (Rs.)		10.00	10.00
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements
As per our report of even date

For S S Kothari Mehta & Company
Chartered Accountants
ICAI Firm Registration No. 000756N

per Vijay Kumar
Partner
Membership No. 092671

Place: Gurugram
Date: 30.06.2022



For and on behalf of the Board of Directors of
CNH Industrial Capital (India) Private Limited

Vishal Chaudhury
Managing Director
DIN No.: 09463209

Place: Gurugram
Date: 30.06.2022
Inderjeet Mehta
Chief Financial Officer

Place: Gurugram
Date: 30.06.2022

Raunak Varma
Director
DIN No.: 07234008

Place: Gurugram
Date: 30.06.2022
Rini Jangid
Company Secretary
Membership No.: 24950

Place: Gurugram
Date: 30.06.2022

CNH Industrial Capital (India) Private Limited
Statement of Changes in equity for the year ended 31 March 2022
(All amounts are in Rupees Millions except share data and unless otherwise stated)

a) Equity share capital:

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Balance as at April 1, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
3,637.00	-	3,637.00	335.00	3,972.00

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Balance as at April 1, 2020	Changes in equity share capital during the year*	Balance as at March 31, 2021
2,967.00	-	2,967.00	670.00	3,637.00

*refer note 2.16

b) Other equity

Particulars	Reserves and surplus	Other reserves	Other Comprehensive Income	Total equity
	Retained earnings	Statutory Reserve	Cash Flow hedge reserve	
As at 1 April 2020	(106.04)	-	-	(106.04)
Loss for the year ended 31 March 2021	189.09	-	-	189.09
Other comprehensive loss for the year ended 31 March 2021	0.43	-	(53.29)	(52.86)
Transferred to Statutory Reserve	(27.25)	27.25	-	-
As at 1 April 2021	56.23	27.25	(53.29)	30.19
Profit for the year ended 31 March 2022	136.43	-	-	136.43
Other comprehensive income / (loss) for the year ended 31 March 2022	1.70	-	31.32	33.02
Transferred to Statutory Reserve	(33.89)	33.89	-	-
As at 31 March 2022	160.47	61.14	(21.97)	199.64

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S S Kothari Mehta & Company
Chartered Accountants
ICAI Firm Registration No. 000756N


per Vijay Kumar
Partner
Membership No. 09267



Place: Gurugram
Date: 30.06.2022

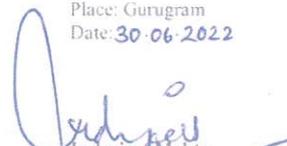
For and on behalf of Board of Directors of
CNH Industrial Capital (India) Private Limited


Vishal Chaudhury
Managing Director
DIN No.: 09463209

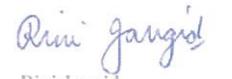
Place: Gurugram
Date: 30.06.2022


Raunak Varma
Director
DIN No.: 07234008

Place: Gurugram
Date: 30.06.2022


Inderjeet Mehta
Chief Financial Officer

Place: Gurugram
Date: 30.06.2022


Rini Jangid
Company Secretary
Membership No.: 24950

Place: Gurugram
Date: 30.06.2022

CNH Industrial Capital (India) Private Limited
Cash flow statement for the year ended 31 March 2022
(All amounts are in Rupees Millions except share data and unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A Cash flow from operating activities:		
Net profit / (loss) before tax	127.66	243.34
Adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation and amortisation expense	20.93	39.25
Interest expense on lease liabilities	1.00	2.20
Share issue expense	0.84	0.67
Unrealised exchange loss / (gain) or foreign currency transactions	0.17	-
Provision for employee benefits	2.09	11.46
Provision for doubtful debts	2.17	-
Impairment loss on financial instruments	558.70	428.82
Interest income on financial assets measured at fair value	(0.02)	-
Impairment of intangible asset under development	1.49	-
Operating profit before working capital changes	715.03	725.74
Changes in working capital		
(Increase) / decrease in trade receivables	2.06	(28.96)
(Increase) / decrease in other receivables	(2.16)	-
Increase in loans	(1,002.02)	(6,064.29)
Decrease / (Increase) in other financial assets	(1.31)	88.48
Increase in other non-financial assets	(9.49)	(15.70)
Increase / (decrease) in other payables	5.56	-
Increase / (decrease) in other financial liabilities	(55.88)	329.43
Increase in other non-financial liabilities	(1.86)	4.43
Cash used in operating activities	(350.07)	(4,960.87)
Less: Income tax paid	(236.36)	(203.11)
Net cash used in operating activities (A)	(586.43)	(5,163.98)
B Cash flow from investing activities:		
Purchase of Property plant and equipment and intangible assets	(0.36)	(6.63)
Net cash used in investing activities (B)	(0.36)	(6.63)
C Cash flow from financing activities:		
Issue of equity shares	335.00	670.00
Share issue expenses	(0.84)	(0.67)
Repayment of lease liabilities	(9.82)	(9.38)
Proceeds from borrowings	10,375.61	6,165.41
Repayment of borrowings	(9,847.28)	(2,210.23)
Net Cash flow from financing activities (C)	852.67	4,615.13
Net (decrease) / increase in cash and cash equivalents (A+B+C)	265.88	(555.48)
Cash and cash equivalents as at the beginning of the year	334.93	890.41
Cash and cash equivalents at the end of the year	600.81	334.93
Components of cash and cash equivalents		
Cash on hand	11.96	22.58
Balance with banks		
In current accounts	97.85	52.35
In Deposits with original maturity of less than three months	491.00	260.00
Total Cash and Cash Equivalents (notes 2.1)	600.81	334.93
Summary of significant accounting policies	1	

The above Statement of Cash Flows has been prepared under the indirect method as set out in IND AS 7 "Statement of Cash Flows".

As per our report of even date

For S S Kothari Mehta & Company
Chartered Accountants
ICAI Firm Registration No. 0005

per Vijay Kumar
Partner
Membership No. 092671

Place: Gurugram
Date: 30.06.2022



For and on behalf of the Board of Directors of
CNH Industrial Capital (India) Private Limited

Vishal Chaudhury
Managing Director
DIN No.: 09463209

Place: Gurugram
Date: 30.06.2022

Inderjeet Mehta
Chief Financial Officer

Place: Gurugram
Date: 30.06.2022

Raunak Varma
Director
DIN No.: 07234008

Place: Gurugram
Date: 30.06.2022

Rini Jangid
Company Secretary
Membership No.: 24950

Place: Gurugram
Date: 30.06.2022

CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022
(All amounts are in Rupees Millions except share data and unless otherwise stated)

A. Corporate information

CNH Industrial Capital (India) Private Limited ("the Company") was incorporated on 23 October 2017, as a private limited Company and is set up to carry on the business of wholesale and retail lending of agricultural, commercial equipments etc.

The Company is a wholly owned subsidiary of CNH Industrial (India) Private Limited. The Company has received the Certificate of Registration no. N-14.03413 dated 2 April 2018 from the Reserve Bank of India (the 'RBI') to carry on the business of Non-Banking Financial Institution without acceptance of public deposit.

B. Basis of preparation of financial statements

a) Statement of compliance in preparation of financial statements

(i) These financial statements for the year ended 31 March 2022 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standard) Rules, 2015 (as amended from time to time) notified under section 133 of the Companies Act 2013 (the "Act") and other relevant provisions of the Act, the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended time to time ("the NBFC Master Directions") and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

b) Basis of measurement

The financial statements have been prepared on the accrual basis as a going concern and under the historical cost convention, except for certain financial assets and liabilities that are measured at fair value as explained in relevant accounting policies.

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ("NBFCs") that are required to comply with Ind AS. The Statement of Cash flows has been presented as per the requirements of Ind AS Statement of Cash Flows.

c) Presentation of financial statements

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

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

d) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

e) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Judgements, assumptions and estimation uncertainties

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have a significant impact on the carrying amount of assets and liabilities at each balance sheet date:

Business model assessment - Classification of financial assets: Assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

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

Fair Value of Financial Instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is carried out in establishing fair values. Judgements and estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Impairment of financial instruments : Determining inputs into the ECL measurement model, including incorporation of forward looking information including key assumptions used in estimating recoverable cash flows.

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different level of allowances. The company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns Probability of Defaults (PD) to the individual grades;
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time ECL ('LTECL') basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral levels, and the effect on PD, Exposure at Defaults (EAD) and Loss Given Defaults (LGD).
- Selection of forward looking macroeconomics scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.



Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate

Measurement of defined benefit obligations: Key actuarial assumptions

The measurement of obligations related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal, mortality rates etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.

Recognition of deferred tax assets

The Company has recognized deferred tax assets/ (liabilities) and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time.

Recognition and measurement of provisions and contingencies

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in statutory litigation in the ordinary course of the Company's business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

f) Measurement of fair value

The Company's accounting policies and disclosures require/ may require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into the different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company measures financial instruments, such as, loans, at fair value at each reporting date.

1 Summary of significant accounting policies

1.1 Revenue recognition

(i) Interest income, for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as "Stage 3", the company recognises interest income on receipt basis.

(ii) Foreclosure charges, penal interest on delayed payments and other dues in respect of loans are recognized on receipt basis.

(iii) Interest income from fixed deposit: Revenue from interest on bank deposits are recognised on accrual basis.

1.2 Property, plant and equipment (PPE), Intangible assets, Depreciation and amortisation

PPE

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022
(All amounts are in Rupees Millions except share data and unless otherwise stated)

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Depreciation and amortisation

Depreciation and amortisation of PPE and Intangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management has estimated the following lives to provide depreciation and amortisation of its property, plant and equipment and intangible assets.

Assets	Useful lives estimated by the management (years)
Computers	3 years
Furniture and fixtures	10 years
Software	3-5 years

Depreciation on additions is being provided on pro rata basis from the date of such additions. Similarly, depreciation on assets sold / disposed off during the year is being provided up to the dates on which such assets are sold / disposed off. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

The useful lives as mentioned above are reviewed by the management at each reporting date and revised, if appropriate. In case of a revision, the unamortised depreciable / amortisable amount is charged over the revised remaining useful life.

1.3 Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1.4 Foreign currency translation

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Income and expenses in foreign currencies are initially recorded by the Company at the exchange rates prevailing on the date of the transaction.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

1.5 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company provides gratuity benefits which is a defined benefit scheme. The cost of providing gratuity benefits is determined on the basis of actuarial valuation at each year end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absence as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes.



1.6 Cash and cash equivalent

Cash and cash equivalent comprises of cash in hand, demand deposits and time deposits with original maturity of less than three months held with bank.

1.7 Leases

The Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where the Company is lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 1.3 Impairment of non-financial assets.

ii) Lease liability

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii) Short term lease

The Company applies the short-term lease recognition exemption to its short term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as and when due.

1.8 Taxes

Tax expense comprises current and deferred tax.

Current Income tax

Current Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current Income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.9 Provision and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the Statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date. Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

1.10 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



1.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.11.1 Financial Assets

1.11.1.1 Initial recognition and measurement

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed to the customers. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

1.11.1.2 Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

1.11.1.3 Debt instruments at amortised costs

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

1.11.1.4 Debt instruments at FVOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

1.11.1.5 Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and loss.

1.11.1.6 Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

1.11.2 Financial Liabilities

1.11.2.1 Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

1.11.2.2 Classification and Subsequent measurement - Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

1.11.2.3 Classification and Subsequent measurement - Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

1.11.3 Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.



1.11.4 De recognition of financial assets and liabilities

1.11.4.1 Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition. The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met.

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

Or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.11.4.2 Financial Liabilities

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

1.12 Impairment of financial assets

Impairment of financial instruments:

The Company applies the ECL model in accordance with Ind AS 109 for recognising impairment loss on financial assets. The ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial asset ("lifetime ECL"), unless there has been no significant increase in credit risks since origination, in which case, the allowance is based on the 12-month ECL. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is calculated on individual / collective basis, considering the nature of the underlying portfolio of financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. When determining whether the risk of default on a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without cost or effort. This includes both quantitative and qualitative information and analysis based on a provision matrix which takes into account the Company's historical credit loss experience, current economic conditions, forward looking information and scenario analysis.

The expected credit loss is a product of exposure at default ('EAD'), probability of default ('PD') and loss given default ('LGD'). The Company has devised an internal model to evaluate the PD and LGD based on the parameters set out in Ind AS 109. Accordingly, the financial assets have been segmented into three stages based on the risk profiles. The three stages reflects the general pattern of credit deterioration of a financial assets.

The Company categories financial assets at the reporting date into stages based on the following criteria:

- Stage 1: These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e. exposures with no overdues) and exposure upto 30 days overdues fall under this category. In accordance with Ind AS 109, the Company measures ECL on such assets over next 12 months.

- Stage 2: Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposures exceed for a period more than 30 days. Accordingly, the Company classifies all exposures with overdues exceeding 30 days at each reporting date under this stage. The Company measures lifetime ECL on Stage 2 loans.

- Stage 3: All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure. Interest on such contracts is calculated by applying the effective interest rate to the amortised cost (net of impairment allowance) instead of the gross carrying amount and recognised on receipt basis. The method is similar to Stage 2 assets, with the probability of default set at 100%.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The calculation of ECLs:

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

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



- EAD - The Exposure at Default is an exposure at a default date. The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

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

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

- Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

- Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Forward looking information:

The Company incorporates forward looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

Write Offs:

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to Statement of profit and loss account.

1.13 New Technical Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

b) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

c) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

e) Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.1 Cash and bank balance

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Cash on hand	11.96	22.58
Balance with banks		
In Current accounts	97.85	52.35
In Deposits with original maturity of less than three months	491.00	260.00
Total	600.81	334.93

2.2 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured and considered good from related parties (refer note no. 2.28)	40.13	42.19
Total	40.13	42.19

Trade receivable ageing schedule

Particulars	Outstanding for following periods from due date of payment		
	As at 31 March 2022		
	Not Due	Less than 6 months	Total
Undisputed Trade receivables – considered good	25.62	14.51	40.13

Particulars	Outstanding for following periods from due date of payment		
	As at 31 March 2021		
	Not Due	Less than 6 months	Total
Undisputed Trade receivables – considered good	23.37	18.82	42.19

2.3 Other receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured and considered good from related parties (refer note no 2.28)	2.16	-
Total	2.16	-

Other receivable ageing schedule

Particulars	Outstanding for following periods from due date of payment		
	As at 31 March 2022		
	Not Due	Less than 6 months	Total
Undisputed Other receivables – considered good	-	2.16	2.16



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022

2.4 Loans (measured at amortised cost)

Particulars	As at 31 March 2022	As at 31 March 2021
(A)		
Retail loans and commercial finance	19,335.81	18,333.79
Total (A) Gross	19,335.81	18,333.79
Less: Impairment loss allowance	(1,483.74)	(925.05)
Total (A) Net	17,852.07	17,408.74
(B)		
(i) Secured by tangible assets	18,049.48	17,145.56
(ii) Covered by bank guarantees	-	-
(iii) Secured and covered by both - tangible assets and bank guarantees	1,286.34	1,188.23
(iv) Unsecured	-	-
Total (B) Gross	19,335.81	18,333.79
Less: Impairment loss allowance	(1,483.74)	(925.05)
Total (B) Net	17,852.07	17,408.74
(C) Loans in India		
(i) Public sector	-	-
(ii) Others	19,335.81	18,333.79
Total (C) Gross	19,335.81	18,333.79
Less: Impairment loss allowance	(1,483.74)	(925.05)
Total (C) Net	17,852.07	17,408.74

2.5 Other financial assets (measured at amortised cost)

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits measured at amortised cost (considered good)	3.07	0.02
Interest accrued on fixed deposits	-	-
Insurance claim receivable	-	0.11
Receivable from Govt authorities - Exgratia	0.00	2.61
Lease Receivables	6.91	-
Total	9.98	2.74

2.6 Non Current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax and tax deducted at source (net of provision for tax Rs. 479.78 Millions (previous year Rs. 329.07 Millions)	193.13	116.03
Total	193.13	116.03



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022

(A) Amount recognised in the Statement of profit and loss:	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax:		
In respect of current year	159.25	178.76
Deferred tax charge/(credit):		
Relating to origination and reversal of temporary differences	(168.02)	(124.51)
Income tax expense reported in the statement of profit or loss	<u>(8.77)</u>	<u>54.25</u>
(B) Income tax recognised in Other comprehensive income:	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred tax arising on expenses recognised in Other Comprehensive losses / (gains) Net of Tax	11.11	(17.78)
Total	<u>11.11</u>	<u>(17.78)</u>
(C) Reconciliation of effective tax rate:	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	127.66	243.34
Adjustments:		
Deferred tax relating to earlier year	(164.84)	(28.65)
Effect of expenses/ provisions not deductible in determine taxable profit	2.33	0.82
Adjusted profit (a)	<u>(34.85)</u>	<u>215.51</u>
Current tax	159.25	178.76
Deferred tax	(168.02)	(124.51)
Adjusted tax (b)	<u>(8.77)</u>	<u>54.25</u>
Effective tax rate (b/a)	<u>25.17%</u>	<u>25.17%</u>

2.7 Deferred tax:

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets		
- On preliminary expenses	0.04	0.09
- On Impairment loss allowance	349.04	223.65
- Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	99.12	57.14
- On Excess Written Down Value of property, plant and equipment between Companies Act and Income tax Act	2.39	1.82
- On Fair Value Loss on derivative Financial Instruments	7.38	17.92
Deferred tax liability		
- On Re-measurement gain on defined benefit plans	0.57	0.14
Total	<u>457.40</u>	<u>300.48</u>



CNH Industrial Capital (India) Private Limited

Notes forming part of financial statements for the year ended 31 March 2022

Movement of deferred tax assets/ liabilities presented in Balance Sheet:

31 March 2022	As at the beginning of the year	Charge to profit and loss	Charge to Other Comprehensive Income	As at the end of the year
Deferred tax assets				
- On preliminary expenses	0.09	(0.05)	-	0.04
- On Impairment loss allowance	223.65	125.39	-	349.04
- Impact of expenditure charged to A159 the statement of profit and loss in the current year but allowed for tax purposes on payment basis	57.14	41.98	-	99.12
- On Fair Value Loss on derivative Financial	17.92	-	(10.54)	7.38
- On Excess Written Down Value of property, plant and equipment between Companies Act and Income tax Act	1.82	0.57	-	2.39
Deferred tax liability				
- On Re-measurement gain on defined benefit plans		-	0.57	0.57
Total	300.62	167.88	(11.11)	457.40
31 March 2021	As at the beginning of the year	Charge to profit and loss	Charge to Other Comprehensive Income	As at the end of the year
Deferred tax assets				
- On preliminary expenses	0.13	-0.04	0.00	0.09
- On Impairment loss allowance	126.72	96.93	0.00	223.65
- Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	33.30	23.75	0.00	57.05
- On Fair Value Loss on derivative Financial	0.00	0.00	17.92	17.92
- On Excess Written Down Value of property, plant and equipment between Companies Act and Income tax Act	0.10	3.87	0.00	3.97
Deferred tax liability				
- On Excess Written Down Value of property, plant and equipment between Companies Act and Income tax Act	2.05	0.00	0.00	2.05
- On Re-measurement gain on defined benefit plans	0.00	0.00	0.14	0.14
Total	158.20	124.51	17.78	300.48



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.8 (a) Property, plant and equipment

Particulars	Computers	Furnitures and fixtures	Right to use asset	Total
Cost				
At 01 April 2020	3.92	0.22	26.57	30.71
Additions	0.66	-	1.95	2.61
At 31 March 2021	4.58	0.22	28.52	33.32
Additions	0.32	-	26.81	27.13
Disposals	-	-	(23.63)	(23.63)
At 31 March 2022	4.90	0.22	31.70	36.82
Depreciation and amortisation				
At 01 April 2020	1.83	0.03	9.69	11.55
Charge for the year	1.52	0.02	7.36	8.90
At 31 March 2021	3.35	0.05	17.05	20.45
Additions	0.93	0.02	8.80	9.75
Disposals	-	-	(20.63)	(20.63)
At 31 March 2022	4.28	0.07	5.22	9.57
Net block				
At 01 April 2020	2.09	0.19	16.88	19.16
At 31 March 2021	1.23	0.17	11.47	12.87
At 31 March 2022	0.62	0.15	26.48	27.25



CNH Industrial Capital (India) Private Limited

Notes forming part of financial statements for the year ended 31 March 2022
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.8 (b) Intangible assets under development

Particulars	Software	Total
Gross block		
At 1 April 2020	1.46	1.46
Addition	5.89	5.89
Capitalised during the year	(5.86)	(5.86)
At 31 March 2021	1.49	1.49
Capitalised during the year	-	-
Written off during the year	(1.49)	(1.49)
At 31 March 2022	-	-

Intangible assets under development ageing schedule

Intangible assets under development	As at 31 March 2021		
	Less than 1 Year	1-2 Years	Total
Projects in progress	0.03	1.46	1.49

2.8 (c) Intangible assets

Particulars	Software	Total
Cost		
At 1 April 2020	90.85	90.85
Additions	5.94	5.94
Disposals	-	-
At 31 March 2021	96.79	96.79
Additions	-	-
At 31 March 2022	96.79	96.79
Depreciation and amortisation		
At 1 April 2020	50.38	50.38
Charge for the year	30.34	30.34
At 31 March 2021	80.72	80.72
Charge for the year	11.18	11.18
At 31 March 2022	91.90	91.90
Net block		
At 1 April 2020	40.47	40.47
At 31 March 2021	16.07	16.07
At 31 March 2022	4.89	4.89



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022

2.9 Other non-financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expense (considered good)	16.35	12.60
Advance to suppliers		
Considered good	5.86	8.09
Considered doubtful	1.00	1.00
Advance to employees		
Considered good	0.24	0.37
Considered doubtful	2.17	-
Goods and service tax receivable (net off)	22.15	16.22
Provision for doubtful debts	(3.17)	(1.00)
Total	<u>44.60</u>	<u>37.28</u>

2.10 Other Payables

Particulars	As at 31 March 2022	As at 31 March 2021
Advance to employees		
MSME	0.58	0.09
Others	87.30	82.23
Total	<u>87.88</u>	<u>82.32</u>

Other Payables aging schedule

S.N.	Particulars	Outstanding as on 31 March 2022 from due date of payment			
		Not Due	Less than 1 year	2-3 year	Total
i)	MSME*	-	0.58	-	0.58
ii)	Others	83.89	3.21	0.21	87.31
	Total	<u>83.89</u>	<u>3.79</u>	<u>0.21</u>	<u>87.89</u>

S.N.	Particulars	Outstanding as on 31 March 2021 from due date of payment			
		Not Due	Less than 1 year	1-2 year	Total
i)	MSME*	-	0.09	-	0.09
ii)	Others	70.30	11.69	0.24	82.23
	Total	<u>70.30</u>	<u>11.78</u>	<u>0.24</u>	<u>82.32</u>

* Please refer note no. 2.31.

2.11 Debt securities (measured at amortised cost)

Particulars	As at 31 March 2022	As at 31 March 2021
At amortised cost (Unsecured)		
Bond (Outside India)*	315.00	630.00
Total	<u>315.00</u>	<u>630.00</u>

*The Company has issued Masala Bond carrying an interest rate of 7.99% per annum payable on quarterly basis. The Bond is repayable till 29 March 2023 in quarterly instalments starting from 29 December 2020.



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022

2.12 Borrowings (measured at amortised cost) (Unsecured)

Particulars	As at 31 March 2022	As at 31 March 2021
Term loans from banks (refer note 1 below)	10,203.30	6,348.48
Working capital loans from banks (refer note 2 below)	1,620.00	4,100.00
Bank overdraft (refer note 3 below)	322.99	574.05
External Commercial Borrowings (refer note 4 below)	1,988.80	2,193.30
Interest accrued on borrowings	33.62	28.72
Total (A)	14,168.71	13,244.55
Borrowings in India	12,156.04	11,022.75
Borrowings Outside India	2,012.67	2,221.80
Total (B)	14,168.71	13,244.55
Secured	-	-
Unsecured	14,168.71	13,244.55
Total (C)	14,168.71	13,244.55

Note 1: Terms and conditions of repayment of term loan from banks:

31 March 2022

Loan and ROI	Maturity date	Interest Payment Terms	Amount Outstanding as on 31 March 2022	Principal Repayment Terms
Term loan 1 - ROI 10.10%	30-11-2022	Monthly	82.50	Quarterly
Term loan 5 - ROI 7.70%	30-08-2022	Monthly	100.00	Quarterly
Term loan 7 - ROI 7.15%	13-11-2022	Monthly	43.64	Every 2nd Month
Term loan 8 - ROI 7.50%	31-12-2022	Monthly	54.00	Quarterly
Term loan 9 - ROI 7.55%	30-09-2022	Monthly	90.91	Quarterly
Term loan 9 - ROI 7.20%	31-03-2023	Monthly	233.33	Quarterly
Term loan 10 - ROI 6.30%	13-10-2024	Monthly	237.50	Quarterly
Term loan 11 - ROI 6.30%	07-10-2024	Monthly	600.00	Quarterly
Term loan 12 - ROI 6.20%	30-11-2024	Monthly	900.00	Quarterly
Term loan 12 - ROI 5.95%	31-12-2024	Monthly	975.00	Quarterly
Term loan 13 - ROI 5.75%	30-03-2025	Monthly	340.00	Quarterly
Term loan 14 - ROI 5.75%	28-02-2023	Monthly	100.00	Quarterly
Term Loan 15 - ROI 5.70%	30-04-2025	Monthly	210.00	Quarterly
Term Loan 16 - ROI 5.45%	31-05-2024	Monthly	324.44	Quarterly
Term Loan 17 - ROI 5.45%	31-05-2024	Monthly	405.56	Quarterly
Term Loan 18 - ROI 5.45%	14-06-2024	Monthly	413.00	Quarterly
Term Loan 19 - ROI 4.99%	25-06-2025	Monthly	751.75	Quarterly
Term Loan 20 - ROI 4.99%	30-06-2025	Monthly	751.75	Quarterly
Term Loan 21 - ROI 4.50%	30-09-2025	Monthly	826.00	Quarterly
Term Loan 22 - ROI 4.50%	30-09-2025	Monthly	412.00	Quarterly
Term Loan 23 - ROI 4.50%	30-09-2025	Monthly	413.00	Quarterly
Term Loan 24 - ROI 4.30%	30-12-2025	Monthly	639.00	Quarterly
Term Loan 25 - ROI 4.50%	31-12-2025	Monthly	300.00	Quarterly
Term Loan 26 - ROI 4.70%	31-12-2025	Monthly	500.00	Quarterly
Term Loan 27 - ROI 4.70%	28-02-2026	Monthly	500.00	Quarterly



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022

31 March 2021

Loan and ROI	Maturity date	Interest Payment Terms	Amount Outstanding as on 31 March 2021	Principal Repayment Terms
Term loan 1 - ROI 10.10%	30-11-2022	Monthly	110.00	Quarterly
Term loan 2 - ROI 9.35%	09-10-2021	Monthly	50.00	Quarterly
Term loan 3 - ROI 9.00%	30-10-2021	Monthly	125.00	Quarterly
Term loan 4 - ROI 8.90%	30-11-2021	Monthly	82.50	Quarterly
Term loan 5 - ROI 7.70%	30-08-2022	Monthly	300.00	Quarterly
Term loan 7 - ROI 7.15%	13-11-2022	Monthly	109.09	Every 2nd Month
Term loan 8 - ROI 7.50%	31-12-2022	Monthly	150.00	Quarterly
Term loan 9 - ROI 7.55%	30-09-2022	Monthly	272.73	Quarterly
Term loan 9 - ROI 7.20%	31-03-2023	Monthly	466.67	Quarterly
Term loan 10 - ROI 6.30%	13-10-2024	Monthly	367.50	Quarterly
Term loan 11 - ROI 6.30%	07-10-2024	Monthly	920.00	Quarterly
Term loan 12 - ROI 6.20%	30-11-2024	Monthly	1,300.00	Quarterly
Term loan 12 - ROI 5.95%	31-12-2024	Monthly	1,395.00	Quarterly
Term loan 13 - ROI 5.75%	30-03-2025	Monthly	500.00	Quarterly
Term loan 14 - ROI 5.75%	28-02-2023	Monthly	200.00	Quarterly

Note 2 - The Company has taken unsecured short term working capital loans from banks at varying rate of interest ranging from 4.00% to 4.55% per annum (31 March 2021: 4.06% to 4.90% per annum).

Note 3 - The Company avails bank overdraft facility to manage its short term capital and is repayable on demand. The rate of interest during the year ranged from 5.10% to 5.65% per annum (31 March 2021: 5.75% to 7.25% per annum).

Note 4 - The Company has issued External Commercial Borrowings carrying an interest rate of 7.80% & 6.65% per annum payable on quarterly basis. The External Commercial Borrowings is repayable till 28 March 2024 in quarterly instalments starting from 30 October 2021.

Note 5 - The Company has obtained borrowing from banks and financial institutions and utilised them for the purpose for which they were obtained.

2.13 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Loan pending disbursement	347.61	410.21
Payable to employees	18.11	11.51
Interest-free security deposit received	0.24	3.24
Advance received from dealer	14.08	10.96
Lease liabilities	32.44	11.39
Total	412.48	447.31

2.14 Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity*	13.19	11.64
Compensated absences	16.41	18.15
Total	29.60	29.79

* also refer note no. 2.29

2.15 Other non-financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues payable		
- Tax deducted at source payable	13.19	13.76
- Provident fund payable	1.85	1.57
- Labour welfare fund payable	0.01	0.01
- Goods and service tax payable (net off)	0.33	1.90
Total	15.38	17.24



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.16 Equity Share Capital

Details of Authorized, Issued, Subscribed and Paid up Share Capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of share	Amount	No of share	Amount
Authorized share Capital				
Equity Shares of Rs. 10/- each	397,200,000	3,972.00	363,700,000	3,637.00
	397,200,000	3,972.00	363,700,000	3,637.00
Issued, Subscribed and Paid up Capital				
Equity Shares of Rs. 10/- each	397,200,000	3,972.00	363,700,000	3,637.00
Total	397,200,000	3,972.00	363,700,000	3,637.00

(i) The reconciliation of equity shares outstanding at the beginning and at the end of the reporting period.

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Equity Share at the beginning of year	363,700,000	3,637.00	296,700,000	2,967.00
Add: Shares issued during the year	33,500,000	335.00	67,000,000	670.00
Equity Share at the end of year	397,200,000	3,972.00	363,700,000	3,637.00

(ii) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one

(iii) Shares held by holding Company

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% of holding	No. of shares	% of holding
CNH Industrial (India) Private Limited	397,200,000	100%	363,700,000	100%
	397,200,000	100%	363,700,000	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares. There is no change in percentage of share holding during the year.

(iv) Details of shares held by Promoters

As at 31 March 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
CNH Industrial (India) Private Limited	363,700,000	33,500,000	397,200,000	100%	8%

As at 31 March 2021

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
CNH Industrial (India) Private Limited	296,700,000	67,000,000	363,700,000	100%	18%

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

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% of holding	No. of shares	% of holding
CNH Industrial (India) Private Limited (alongwith its nominee)	397,200,000	100%	363,700,000	100%
	397,200,000	100%	363,700,000	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022

2.17 Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Retained earnings		
Opening balance	56.23	(106.04)
Add: Profit / (Loss) for the year	136.43	189.09
Add: Transferred from Other comprehensive income	1.70	0.43
Less: Transferred to Statutory Reserve	(33.89)	(27.25)
Balance at the end of the year (A)	160.47	56.23
Cash Flow hedge reserve		
Opening balance	(53.29)	-
Add: Transferred from Other comprehensive income	31.32	(53.29)
Balance at the end of the year (B)	(21.97)	(53.29)
Statutory Reserve		
Opening balance	27.25	-
Add: Addition during the year	33.89	27.25
Balance at the end of the year (C)	61.14	27.25
Total (A) + (B) + (C)	199.64	30.19

2.17 (i) Nature and purpose of reserve

Statutory reserve u/s 45-IC of RBI Act

Under Section 45-IC of the RBI Act, 1934, the Company is required to transfer sum not less than twenty percent of its net profit every year. Accordingly, the Company has transferred the above amount to the statutory reserve for the year ended 31 March 2022.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

Cashflow hedge reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.18 Interest income (on financial assets measured at amortised cost)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on loans	2,186.42	1,833.84
Interest on term deposits	3.79	9.68
Total	2,190.21	1,843.52

2.19 Fees Income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Fees and other charges income (including bounce charge income)	70.50	52.31
Total	70.50	52.31

2.20 Other Income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Business Support Services	18.02	-
Interest income on financial assets measured at fair value	0.02	-
Gain on derecognition lease	0.25	-
Net gain or loss on foreign currency transaction	0.30	-
Total	18.59	-

2.21 Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on borrowings from banks (measured at amortised cost)		
- on term loans and working capital loans from banks	793.11	659.16
- on bonds	41.25	56.29
- on bank overdraft	4.48	4.80
Interest on lease liabilities	1.00	2.20
Bank charges	3.22	2.16
Other borrowing costs	5.71	2.53
Total	848.77	727.14

2.22 Impairment on financial instruments

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Impairment on financial instruments at amortised cost		
- Loans	558.70	395.33
Loss on sale of repossessed assets	178.30	33.49
Total	737.00	428.82

2.23 Employee benefit expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	221.93	189.52
Contribution to provident and other funds	9.06	8.10
Gratuity and compensated absences (refer note 2.28)	3.68	11.59
Staff welfare expenses	2.83	2.07
Total	237.50	211.28



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.24 Depreciation and amortisation

Particulars	For the year ended	For the year ended
	31 March 2022	31 March 2021
Depreciation on property, plant and equipment	0.95	1.55
Depreciation on right of use assets	8.80	7.36
Amortisation of intangible assets	11.18	30.34
Total	20.93	39.25

2.25 Other expenses

Particulars	For the year ended	For the year ended
	31 March 2022	31 March 2021
Legal and Professional charges*	236.70	172.70
Repairs and maintenance	28.77	40.04
Travelling and conveyance	11.25	5.89
Rent	2.02	1.54
Rates and taxes	2.48	2.40
Business promotion and advertisement	1.15	1.48
Printing and stationery	5.45	7.84
Communication	2.56	2.33
Commission	8.83	8.30
Payment to auditors**	2.50	3.01
Corporate Social Responsibility (CSR)***	1.17	-
Impairment of intangible asset under development	1.49	-
Provision for doubtful debts	2.17	-
Miscellaneous expenses	0.90	0.47
Total	307.44	246.00

*includes outsourced agency cost of Rs. 178.76 Millions (previous year Rs. 152.50 Millions)

**Payment to Auditors (excluding goods and service tax)

- Statutory audit	1.40	2.00
- Tax audit	0.10	0.30
- Other services	0.75	0.48
- reimbursement of expenses	0.02	0.05
	2.27	2.83

*** Corporate Social Responsibility (CSR)

Particulars	31-Mar-22	31-Mar-21
Amount required to be spent by the Company during the year	1.17	-
Amount of expenditure incurred	1.17	-
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Financial Literacy for farmers agriculture and extension training program	NA
Details of related party transactions in relation to CSR expenditure as per relevant Accounting	NA	NA

2.26 Earning per share

Particulars	For the year ended	For the year ended
	31 March 2022	31 March 2021

Following reflects the profit / (loss) and share data used in EPS computations:

Basic		
Weighted average number of equity shares for computation of Basic EPS	384,901,370	353,420,548
Net (loss) / profit for calculation of basic EPS	136.43	189.09
Basic earning per share (In Rs.)	0.35	0.54
Diluted		
Weighted average number of equity shares for computation of Diluted EPS	384,901,370	353,420,548
Net (loss) / profit for calculation of Diluted EPS	136.43	189.09
Diluted earning per share (In Rs.)	0.35	0.54
Nominal value of equity shares (In Rs.)	10.00	10.00



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.27: Derivative Financial Instruments

Part I	As at March 31, 2022			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Currency Derivatives:				
-Cross Currency Swaps	-	-	1,991.18	31.73
Total derivative financial instruments	-	-	1,991.18	31.73

Part II	As at March 31, 2022			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Included in above are derivatives held for hedging and risk				
Cash flow hedging:				
-Cross Currency Swaps	-	-	1,991.18	31.73
Total derivative financial instruments	-	-	1,991.18	31.73

Part I	As at March 31, 2021			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Currency Derivatives:				
-Cross Currency Swaps	-	-	2,276.50	154.42
Total derivative financial instruments	-	-	2,276.50	154.42

Part II	As at March 31, 2021			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Included in above are derivatives held for hedging and risk				
Cash flow hedging:				
-Currency Swaps	-	-	2,276.50	154.42
Total derivative financial instruments	-	-	2,276.50	154.42

2.27.1: Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and foreign currency risk.

2.27.2: Derivatives designated as hedging instruments

(a) Cash flow hedges

The company uses Cross Currency Swap to hedge its risks associated with interest rate and foreign currency risk arising from External Commercial Borrowings.

The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve". Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Cross Currency Swaps match that of the external commercial borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross Currency Swap contracts are identical to the hedged risk components.

Particulars	As at March 31, 2022				
	Notional amounts	Carrying amount	Line item in the statement of financial position	Change in fair value	Cash flow hedge reserve as at March 31, 2022
	The impact of hedging instruments (Net)	1,991.18	31.73	Derivative Financial Liability	31.32

Particulars	As at March 31, 2021				
	Notional amounts	Carrying amount	Line item in the statement of financial position	Change in fair value	Cash flow hedge reserve as at March 31, 2021
	The impact of hedging instruments (Net)	2,276.50	154.42	Derivative Financial Liability	154.42



CNH Industrial Capital (India) Private Limited
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2.28 Related Party disclosures

A. Name of related party and relationship

1. Ultimate holding and Holding Company

CNH Industrial N.V. (Ultimate holding company)
CNH Industrial (India) Private Limited (Holding company)

2. Subsidiary companies of ultimate holding Company (fellow subsidiaries)

Case New Holland Construction Equipment India (Private) Limited
CNH Industrial Financial Services SA
CODEFIS S.C.P.A.
FCA I.T.E.M. S.P.A.
IVECO Capital Solution S.P.A

3. Key management personnel

Amit Kakkar (Resigned from Managing Director w.e.f. 10 September 2021)
Vishal Chaudhury (Managing Director w.e.f. 27 January 2022)
Raunak Verma (Director)
Daniel James MCTAGGART (Director)
Magneshwar Prasad Singh (Director)
Inderjeet Mehta (CFO)
Aakash Jain (Resigned from Company Secretary w.e.f. 26 October 2021)
Rini Jangid (Company Secretary w.e.f. 15 February 2022)

4. Enterprises under significant influence of the key management personnel (with whom there were transactions during the year)

None

5. Relative of key management personnel (with whom transactions during the year)

None

B. The nature and volume of transactions carried out and outstanding balance with the above related parties in the ordinary course of business are as follows :

As at 31 March 2022

Name of related party	Nature of transactions	Period from 1 April 2021 to 31 March 2022		As at 31 March 2022	
		Expense amount	Income amount	Others	Outstanding balance
CNH Industrial (India) Private Limited	Reimbursement of expense	13.23	-	-	2.35
	Proceeds from issue of Share Capital	-	-	335.00	3,972.00
	Interest from Business Support Services / Other receivable	-	18.02	-	2.16
	Interest on loans / receivable**	-	273.53	-	27.39
Case New Holland Construction Equipment India (Private) Limited	Interest on loans / receivable**	-	83.04	-	12.74
	Legal and Professional charges	4.13	-	-	-
CNH Industrial Financial Services SA	Legal and Professional charges	0.13	-	-	0.18
IVECO Capital Solution SPA	Legal and Professional charges	0.19	-	-	0.19
CODEFIS S.C.P.A.	Repairs and Maintenance	2.20	-	-	1.86
Remuneration paid to key managerial personnel (refer note c below)	Short term employee benefits	17.99	-	-	-

As at 31 March 2021

Name of related party	Nature of transactions	Period from 1 April 2020 to 31 March 2021		As at 31 March 2021	
		Expense amount	Income amount	Others	Outstanding balance
CNH Industrial (India) Private Limited	Reimbursement of expense	13.67	-	-	1.77
	Proceeds from issue of Share Capital	-	-	670.00	3,637.00
	Interest on loans / receivable	-	299.60	-	21.87
Case New Holland Construction Equipment India (Private) Limited	Interest on loans / receivable	-	126.25	-	20.32
	Legal and Professional charges	3.50	-	-	3.50
CNH Industrial Financial Services SA	Legal and Professional charges	1.40	-	-	0.49
CODEFIS S.C.P.A.	Repairs and Maintenance	14.73	-	-	8.56
Remuneration paid to key managerial personnel (refer note c below)	Short term employee benefits	22.85	-	-	-

Terms and Conditions of transactions with related parties:

- a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.
- b) For the year ended 31 March 2022 and 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.
- c) The remuneration to the key managerial personnel ("KMP") does not include the provisions made for gratuity and compensated absences as they are determined on an actuarial basis for the Company as a whole. Performance link incentive is included in KMP remuneration only when amount became due for payment on fulfilling certain conditions.



2.29 Employee benefits

Defined contribution plans:

Amount of Rs. 9.03 Millions (previous year Rs. 8.06 Millions) pertaining to employer's contribution to provident fund is recognised as an expense and included in "Contribution to provident funds" in note 2.23 to the financial statements.

Defined benefit plans (gratuity plan)

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to such limit as prescribed by The Payment of Gratuity Act, 1972 as amended from time to time. The Scheme is unfunded. The Company has also provided for long-term compensated absences which are unfunded.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for the gratuity plan:

	As at 31 March 2022	As at 31 March 2021
(a) Changes in the present value of the defined benefit obligation (DBO) are as follows:		
Defined benefit obligation at the beginning of the year	11.64	8.11
Interest cost	0.79	0.56
Current service cost	3.41	3.54
Benefits paid	(0.37)	-
Actuarial (gain)/ loss on obligations	(2.27)	(0.57)
Defined benefit obligation at the end of the year	<u>13.20</u>	<u>11.64</u>
(b) Amount recognised in Statement of Profit and Loss:	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	3.41	3.54
Interest cost	0.79	0.55
Amount recognised in Statement of Profit and Loss	<u>4.20</u>	<u>4.09</u>
(c) Amount recognised in Other Comprehensive Income:	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial (gain)/loss	(2.27)	(0.57)
Amount recognised in Other Comprehensive Income	<u>(2.27)</u>	<u>(0.57)</u>
(d) Change in Net Defined Benefit Obligation:	As at 31 March 2022	As at 31 March 2021
Total Service Cost	3.41	3.54
Interest cost	0.79	0.55
Actuarial (gain)/loss	(2.27)	(0.57)
Benefits paid	(0.37)	-
Total	<u>1.56</u>	<u>3.52</u>
(e) The assumptions used in determining gratuity liability for the Company's plans are shown below:	As at 31 March 2022	As at 31 March 2021
Discount rate	7.18%	6.79%
Future salary Increase	8%	8%
Withdrawal rate		
Up to 30 years	3%	3%
From 31 to 44 years	2%	2%
From 44 years	1%	1%
Retirement Age	60	60
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)

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

The average duration of the defined benefit plan obligation at the end of the reporting period is 17.22 years (previous year: 17.43 years).

	As at 31 March 2022	As at 31 March 2021
(f) A quantitative sensitivity analysis for significant assumption:		
Assumptions		
Increase in discount rate of 0.50%	(0.95)	(0.85)
Decrease in discount rate of 0.50%	1.04	0.93
Increase in future salary of 0.50%	1.03	0.91
Decrease in future salary of 0.50%	(0.95)	(0.84)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Expected contribution for the next Annual reporting period

	As at 31 March 2022	As at 31 March 2021
Service Cost	4.46	4.07
Net Interest Cost	0.95	0.79
Expected Expense for the next annual reporting period	<u>5.41</u>	<u>4.86</u>

Experience adjustments for the reported years are as below:

	As at 31 March 2022	As at 31 March 2021
Change in demographic assumptions	-	-
Change in financials assumptions	(0.78)	0.02
Experience adjustments on plan liabilities	(1.49)	(0.59)

Compensated absences:

The Company has provided for compensatory leaves (including sick leave) as per policy of the Company using the Projected Unit Credit Method on the basis of an actuarial valuation. The Company has accordingly booked Rs. (0.55) Millions (previous year Rs. 7.49 Millions) in the Statement of Profit and Loss.



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2.30 Operating leases

Company enters into operating lease arrangements for leasing offices and vehicles for its employees. The Company also has certain lease for low value items like laptops. The Company applies the low value exemptions for these leases.

The carrying amount of right-of-use assets recognised and movements during the year are as follows:

Particulars	31-Mar-22	31-Mar-21
Balance at the beginning of the year	11.47	16.88
Addition made during the year	26.81	1.95
Disposal (net) made during the year	(3.00)	-
Depreciation charge for the year	(8.80)	(7.36)
Balance at the end of the year	26.48	11.47

The carrying amount of lease liabilities and the movements during the year are as follows:

Particulars	31-Mar-22	31-Mar-21
Balance at the beginning of the year	11.39	16.62
Interest accretion during the year	1.00	2.20
Additions during the year	32.76	1.95
Disposal during the year	(2.89)	-
Payment made during the year	(9.82)	(9.38)
Balance at the end of the year	32.44	11.39

The carrying amount of lease receivables and the movements during the year are as follows:

Particulars	31-Mar-22	31-Mar-21
Balance at the beginning of the year	-	-
Additions during the year	6.91	-
Disposal during the year	-	-
Payment made during the year	-	-
Balance at the end of the year	6.91	-

The effective interest rate for lease liabilities is between 6.5% to 7.5%, with maturity in 2026-27.

The following are the amount recognised in profit and loss

Particulars	31-Mar-22	31-Mar-21
Depreciation expenses in respect of right-of-use assets	8.80	7.36
Interest expense in respect of lease liabilities	1.00	2.20
Expenses relating to short-term lease (included on other expenses)	2.02	1.36
Total amount recognised in profit and loss	11.82	10.92

2.31 Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given as follow :

Particulars	31-Mar-22	31-Mar-21
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount due to micro and small enterprises		0.09
- Interest on the principal amount due	Nil	Nil
The amount of interest paid by the buyer in terms of section 18 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
- Payments made to suppliers beyond the appointed date	Nil	Nil
- Interest on the principal amount	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company.		



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2.32 Operating Segments

The company operates in a single business segment i.e. financing, which are similar risks and returns for the purpose of IND AS 108 on "Operating segment" notified under the companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic.

2.33 Unhedged foreign currency

Particulars of foreign currency exposure as at the reporting date

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amount in foreign currency	Amount in Rs.	Amount in foreign currency	Amount in Rs.
Other payable - Euro	0.03	2.23	0.11	9.04

The Company does not entered in to any foreign exchange forward contracts during the year.

2.34 Fair Value

Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly/ indirectly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair Value of financial instruments which are not measured at Fair Value:

Valuation methodologies of financial instruments not measured at fair value:

Loans - The fair value of fixed rate loans are determined by discounting expected future contractual cash flows using current market interest rates charged to similar categories of new loans. The fair value of floating rate loans are deemed to be equivalent to the carrying value.

Borrowings - The fair value of certain fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans. The fair value of floating rate borrowings are deemed to be equivalent to the carrying value.

For Derivatives - Cross Currency swaps held for the purpose of hedging foreign currency denominated external commercial borrowings are accounted as cash flow hedge. These swaps are considered under Level 2 for fair valuation. All future cashflows in the swap contract are discounted to present value using the forward rates and accordingly arrived at the valuation for a point of time.

Particulars	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
At fair value through OCI				
Derivative Liability				
– Cross currency swaps	-	31.73	-	31.73
Total				

Particulars	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
At fair value through OCI				
Derivative Liability				
– Cross currency swaps	-	154.42	-	154.42
Total	-	154.42	-	154.42

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data. There were no transfers between levels during the year.



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2.35 Maturity analysis of assets and liabilities as at 31 March 2022

Particulars	Within 12 months	After 12 months	Total
Assets			
Financial assets			
a) Cash and cash equivalents	600.81	-	600.81
b) Receivables			
i) Trade receivables	40.13	-	40.13
ii) Other receivables	2.16	-	2.16
c) Loans	9,955.46	7,896.61	17,852.07
d) Other Financial assets	1.22	8.76	9.98
Non-financial assets			
a) Non Current tax assets (net)	-	193.13	193.13
b) Deferred tax assets (net)	-	457.40	457.40
c) Property, plant and equipment	-	27.25	27.25
d) Intangible assets under development	-	-	-
e) Other Intangible assets	-	4.89	4.89
f) Other non-financial assets	44.18	0.42	44.60
Total Assets	10,643.96	8,588.45	19,232.42
Liabilities and Equity			
Financial liabilities			
a) Derivative financial instruments	-	31.73	31.73
b) Payables			
i) Other Payables			
- Total outstanding dues of micro enterprises and small enterprises	0.58	-	0.58
- Total dues of creditors other than micro enterprises and small enterprises	87.30	-	87.30
c) Debt securities	315.00	-	315.00
d) Borrowings (Other than Debt Securities)	7,153.82	7,014.89	14,168.71
e) Other financial liabilities	388.63	23.85	412.48
Non-financial liabilities			
a) Provisions	0.55	29.05	29.60
b) Other non-financial liabilities	15.38	-	15.38
Equity			
a) Equity share capital	-	3,972.00	3,972.00
b) Other equity	-	199.64	199.64
Total Equity and Liabilities	7,961.27	11,271.16	19,232.42



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2.35 continued - Maturity analysis of assets and liabilities as at 31 March 2021

Particulars	Within 12 months	After 12 months	Total
Assets			
Financial assets			
a) Cash and cash equivalents	334.93	-	334.93
b) Receivables			
i) Trade receivables	42.19		42.19
ii) Other receivables	-	-	-
c) Loans	8,715.99	8,692.75	17,408.74
d) Other Financial assets	2.72	0.02	2.74
Non-financial assets			
a) Non Current tax assets (net)	-	116.03	116.03
b) Deferred tax assets (net)	-	300.48	300.48
c) Property, plant and equipment	-	12.87	12.87
d) Intangible assets under development	-	1.49	1.49
e) Other Intangible assets	-	16.07	16.07
f) Other non-financial assets	36.58	0.70	37.28
Total Assets	9,132.41	9,140.41	18,272.82
Liabilities and Equity			
Financial liabilities			
a) Derivative financial instruments	-	154.42	154.42
b) Payables			
i) Other Payables			
- Total outstanding dues of micro enterprises and small enterprises	0.09	-	0.09
- Total dues of creditors other than micro enterprises and small enterprises	82.23	-	82.23
c) Debt securities	600.32	29.68	630.00
d) Borrowings (Other than Debt Securities)	7,294.37	5,950.18	13,244.55
e) Other financial liabilities	443.92	3.39	447.31
Non-financial liabilities			
a) Provisions	0.52	29.27	29.79
b) Other non-financial liabilities	17.24	-	17.24
Equity			
a) Equity share capital	-	3,637.00	3,637.00
b) Other equity	-	30.19	30.19
Total Equity and Liabilities	8,438.69	9,834.13	18,272.82



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2.36 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company net of intangible assets.

The Company's objectives when managing capital are to:

- safeguard its ability to continue as going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- actively manage capital base to cover the risks inherent in the business and is meeting the capital adequacy requirements of the Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI. The Company has complied in full with all its externally imposed capital requirements over the reported period.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors and market's confidence and to sustain future development of the business. The Board of Directors ensure that the Company complies with externally imposed capital requirements and maintains strong credit rating and healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain and adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholder or issue capital securities. No changes have been made to the objectives from previous years. However they are under constant review by the Board.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

Particulars	As at 31 March 2022	As at 31 March 2021
Debts	14,515.44	14,028.97
Net Worth	4,171.64	3,667.19
Debt to Net Worth (in times)	3.48	3.83

2.36 (i) Regulatory Capital

Common equity Tier 1 (CET1) capital, which includes ordinary share capital, retained earnings and reserves after adjustment of dividend declared and deduction for intangibles assets and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy purposes.

Tier 2 capital, includes preference share, qualifying as subordinated liabilities and provision for expected credit loss on stage 1 assets.

Tier 1 Capital	As at 31 March 2022	As at 31 March 2021
Equity share capital	3,972.00	3,637.00
Free Reserves	221.61	83.48
Deductions:		
-Intangibles assets	(4.89)	(17.56)
-Deferred tax	(450.01)	(282.56)
-Prepaid expenses	(16.35)	(12.60)
	3,722.36	3,407.76
Tier 2 Capital		
Provision for expected credit loss on stage 1 assets	227.56	221.87
Total Regulatory Capital	3,949.92	3,629.63
Risk weighted assets	18,204.83	17,749.48
Capital to Risk weighted asset ratio (CRAR) (%)	21.70%	20.45%
CRAR Tier 1 Capital (%)	20.45%	19.20%
CRAR Tier 2 Capital (%)	1.25%	1.25%
Liquidity Coverage ratio	NA	NA

2.36 (ii) Analytical Ratios

Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for variance (if above 25%)
Capital to Risk weighted asset ratio (CRAR) (%)	3949.92	18204.83	21.70%	20.45%	1.25%	NA
CRAR Tier 1 Capital (%)	3722.36	18204.83	20.45%	19.20%	1.25%	NA
CRAR Tier 2 Capital (%)	227.56	18204.83	1.25%	1.25%	0.00%	NA
Liquidity Coverage ratio	NA	NA	NA	NA	NA	NA

2.36 (iii) Capital allocation

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on regulatory capital requirements, but in some cases the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken by the management and is subject to review by the Company Asset and Liability Management Committee (ALCO).

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how much is allocated within the Company to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic activities. The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.



2.37 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations. On the other hand company's Principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Company's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, technical and legal verifications and conservative loan to value. The major types of risk Company face in businesses are liquidity risk, market risk and credit risk related to our financing activities.

Liquidity risk

Liquidity risk refers to the risk that the Company can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. The unavailability of adequate amount of funds at optimum cost and terminus tenure to repay the financial liabilities and further growth of business resultantly may face an Asset Liability Management (ALM) mismatch caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding of an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Carrying value	Less than 1 year	1 to 5 years	> 5 years	Total
Year ended 31 March 2022					
Debt Securities	315.00	315.00	-	-	315.00
Borrowings (Other than debt securities)	14,168.71	7,153.82	7,014.89	-	14,168.71
Derivative financial instruments	31.73	-	31.73	-	31.73
Other financial liabilities	412.48	388.63	23.85	-	412.48
	14,612.92	7,542.46	7,070.46	-	14,612.92
Year ended 31 March 2021					
Debt Securities	630.00	600.32	29.68	-	630.00
Borrowings (Other than debt securities)	13,244.55	7,294.37	5,950.18	-	13,244.55
Derivative financial instruments	154.42	-	154.42	-	154.42
Other financial liabilities	529.63	526.24	3.39	-	529.63
	13,928.60	7,820.61	6,107.99	-	13,928.60

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company's exposure to market risk is described below:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises from the need to fund financial operating activities and the necessity to deploy surplus funds. The Company borrows and lends at fixed rate of interest. Thus, the Company is not exposed to Interest Rate Risk.

Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate mortgages when interest rates fall. The Company charges prepayment penalty on prepayment of loan from customer to cover the financial loss arising early payment by the customer.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the external commercial borrowings. The Company manages its currency risks by entering into derivative contracts as hedge positions for the full tenure of the external commercial borrowings. The Company's exposure of foreign currency risk at the end of the reporting period expressed in INR is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
	INR	INR
Hedged		
ECB	1,988.80	2,193.30
Derivative*	1,991.18	2,276.50

* represents the notional amount of the derivative financial instrument.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loan assets.

Credit risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to higher NPAs. Company address credit risks by using a set of credit norms and policies, which are approved by Board and backed by analytics and technology. Company has implemented a structured and standardized credit approval process, including customer selection criteria, comprehensive credit risk assessment and cash flow analysis, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. Actual credit exposures, credit limits and asset quality are regularly monitored and analysed at various levels. Company has created a robust credit assessment and underwriting practice that enables to fairly price credit risks.



The following table provides information about the exposure to credit risk and expected credit loss for loan assets and cash and cash equivalents:

1) Loan assets

Particulars	Gross carrying amount	Weighted average loss rate	Loan allowance	Whether credit impaired
As at 31 March 2022				
Stage 1	15,449.42	1.63%	251.66	No
Stage 2	1,887.19	3.11%	58.72	No
Stage 3	1,999.19	58.69%	1,173.36	Yes
	19,335.81		1,483.74	
As at 31 March 2021				
Stage 1	16,015.66	1.59%	255.01	No
Stage 2	1,143.50	4.46%	51.05	No
Stage 3	1,174.63	52.70%	618.99	Yes
	18,333.79		925.05	

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Analysis of risk concentration

The Company's concentrations of risks are managed by client/counterparty based on Loan to Value (LTV) segregation.

The following table stratify the Loan-to-Value ratio at the time of origination of loans for the outstanding loans at the respective year end, which has been calculated by taking the finance amount to fair value of collateral at the time of origination of loans:

As at 31 March 2022

Retail Loans

LTV Ratio	Stage 1	Stage 2	Stage 3	Total
Less than 50%	988.53	18.32	30.59	1,037.44
51-90%	10,036.23	1,361.99	1,530.91	12,929.13
91-100%	662.06	26.68	6.82	695.56
Total	11,686.82	1,406.99	1,568.32	14,662.13

Commercial Finance

LTV Ratio	Stage 1	Stage 2	Stage 3	Total
91-100%	3,762.61	480.21	430.87	4,673.69
Total	3,762.61	480.21	430.87	4,673.69

As at 31 March 2021

Retail Loans

LTV Ratio	Stage 1	Stage 2	Stage 3	Total
Less than 50%	1,011.00	17.55	19.24	1,047.79
51-90%	10,731.15	837.04	775.47	12,343.66
91-100%	564.07	9.14	2.64	575.85
Total	12,306.22	863.73	797.35	13,967.30

Commercial Finance

LTV Ratio	Stage 1	Stage 2	Stage 3	Total
91-100%	3,708.90	276.88	380.70	4,366.48
Total	3,708.90	276.88	380.70	4,366.48

Change in gross carrying value of loan assets consists of the following:

Retail Loans

Loan Assets	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 April 2020	6,937.23	525.77	231.01	7,694.00
New financial assets acquired / originated	9,265.09	-	-	9,265.09
Transfer to Stage 1	165.24	(146.29)	(18.95)	-
Transfer to Stage 2	(759.62)	774.67	(15.05)	(0.00)
Transfer to Stage 3	(490.02)	(210.05)	700.07	-
Assets derecognised or repaid	(2,811.08)	(80.37)	(100.33)	(2,991.78)
Balance as at 31 March 2021	12,306.84	863.73	796.74	13,967.31
New financial assets acquired / originated	6,035.08	-	-	6,035.08
Transfer to Stage 1	210.28	(144.40)	(65.88)	-
Transfer to Stage 2	(1,252.72)	1,276.78	(24.06)	(0.00)
Transfer to Stage 3	(960.68)	(473.37)	1,434.05	-
Assets derecognised or repaid	(4,651.98)	(115.75)	(572.53)	(5,340.26)
Balance as at 31 March 2022	11,686.82	1,406.99	1,568.32	14,662.13



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Commercial Finance				
Loan Assets	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 April 2020	2,722.44	1,456.97	429.56	4,608.97
New financial assets acquired / originated	25,446.17	-	-	25,446.17
Transfer to Stage 1	1,029.31	(939.98)	(89.33)	-
Transfer to Stage 2	(181.36)	202.30	(20.94)	-
Transfer to Stage 3	(42.44)	(229.52)	271.95	-
Assets derecognised or repaid	(25,265.22)	(212.88)	(210.56)	(25,688.66)
Balance as at 31 March 2021	3,708.90	276.88	380.70	4,366.48
New financial assets acquired / originated	21,053.76	-	-	21,053.76
Transfer to Stage 1	205.04	(122.14)	(82.90)	(0.00)
Transfer to Stage 2	(441.76)	441.76	-	0.00
Transfer to Stage 3	(403.00)	(137.49)	540.49	(0.00)
Assets derecognised or repaid	(20,360.33)	21.20	(407.42)	(20,746.55)
Balance as at 31 March 2022	3,762.61	480.21	430.87	4,673.69

Change in expected credit loss on loan assets consists of the following:

Retail Loans				
Loan Assets	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 April 2020	123.24	23.52	107.60	254.36
New financial assets acquired / originated	145.85	-	-	145.85
Transfer to Stage 1	10.89	(6.39)	(4.57)	(0.07)
Transfer to Stage 2	(14.36)	32.32	(5.49)	12.48
Transfer to Stage 3	(9.62)	(9.43)	308.34	289.29
Assets derecognised or repaid	(32.70)	7.37	33.80	8.47
Balance as at 31 March 2021	223.30	47.38	439.68	710.37
New financial assets acquired / originated	113.76	-	-	113.76
Transfer to Stage 1	37.12	(7.26)	(29.86)	-
Transfer to Stage 2	(29.01)	40.67	(11.66)	-
Transfer to Stage 3	(21.99)	(29.52)	51.52	-
Assets derecognised or repaid	(103.71)	3.36	571.12	470.76
Balance as at 31 March 2022	219.45	54.63	1,020.81	1,294.89

Commercial Finance				
Loan Assets	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 April 2020	37.12	65.26	172.97	275.35
New financial assets acquired / originated	216.29	-	-	216.29
Transfer to Stage 1	5.23	(4.38)	(0.85)	-
Transfer to Stage 2	(45.16)	55.03	(9.87)	-
Transfer to Stage 3	(20.69)	(5.40)	26.09	-
Assets derecognised or repaid	(161.08)	(108.15)	(7.74)	(276.97)
Balance as at 31 March 2021	31.71	2.36	180.60	214.67
New financial assets acquired / originated	178.97	-	-	178.97
Transfer to Stage 1	9.98	(1.04)	(8.94)	-
Transfer to Stage 2	(3.77)	3.77	-	-
Transfer to Stage 3	(3.44)	(1.17)	4.61	-
Assets derecognised or repaid	(181.24)	0.18	(23.72)	(204.78)
Balance as at 31 March 2022	32.21	4.10	152.55	188.86

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

2.38 Summary of Financial assets and liabilities which are recognised at amortised cost

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets		
Cash and cash equivalents	600.81	334.93
Trade receivables	40.13	42.19
Other receivables	2.16	-
Loans	17,852.07	17,408.74
Other financial assets	9.98	2.74
Total Financial assets	18,505.15	17,788.60
Financial liabilities		
Payables	87.88	82.32
Debt securities	315.00	630.00
Borrowings (Other than Debt Securities)	14,168.71	13,244.55
Other financial liabilities	412.48	447.31
Total Financial liabilities	14,984.07	14,404.18



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2.39 (a) The disclosures as required by the NBFC Master Directions issued by RBI are as follows:

i. Capital funds, risk assets/ exposure and risk asset ratio (CRAR)

	Year ended 31 March 2022	Year ended 31 March 2021
(i) CRAR (%)	21.70%	20.45%
(ii) CRAR - Tier I capital (%)	20.45%	19.20%
(iii) CRAR - Tier II capital (%)	1.25%	1.25%
(iv) Amount of subordinated debt raised as Tier-II capital	-	-
(v) Amount raised by issue of perpetual Debt instruments	-	-

CRAR as at 31 March 2022 (P.Y. 31 March 2021) has been determined in accordance with the RBI Master Directions read with RBI notification RBI/2019-20/170,DOR(NBFC),CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian Accounting Standards.

ii The Company has not made any investments during the year ended 31 March 2022 and 31 March 2021.

iii Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and foreign currency risk.

Derivatives designated as hedging instruments

Cash flow hedges

The company uses Cross Currency Swap to hedge its risks associated with interest rate and foreign currency risk arising from External Commercial Borrowings.

The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve". Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Cross Currency Swaps match that of the external commercial borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross Currency Swap contracts are identical to the hedged risk components.

Cross Currency Swap Agreement

Particulars	As at 31 March 2022	As at 31 March 2021
The notional principal of swap agreements	1,991.18	2,276.50
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
Collateral required by the applicable NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	-	-
The fair value of the swap book	1,988.80	2,193.30

Exchange traded interest rate derivatives

The Company has not traded in exchange traded interest rate derivative during the current and previous year.

Disclosures on risk exposure in derivatives

Qualitative disclosure

The company uses Cross Currency Swap to hedge its risks associated with interest rate and foreign currency risk arising from External Commercial Borrowings. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve". Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. There is an economic relationship between the hedged item and the hedging instrument as the terms of the Cross Currency Swaps match that of the external commercial borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross Currency Swap contracts are identical to the hedged risk components.



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Quantitative disclosure Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	1,991.18	-
(ii) Marked to Market Positions		
(a) Assets	-	-
(b) Liability	2.38	29.35
(ii) Credit Exposure	-	-
(ii) Unhedged Exposures	-	-

iv Securitisation and assignment

- a) There are no securitisation and assignment transaction entered into by the Company during the year ended 31 March 2022 and 31 March 2021.
b) There is no sale of financial asset to securitisation / reconstruction company for asset reconstruction during the year ended 31 March 2022 and 31 March 2021.
c) There has been no purchase/ sale of non performing financial assets made by the Company during the year ended 31 March 2022 and 31 March 2021.

v There is no exposure to real state sector by the Company during the year ended 31 March 2022 and 31 March 2021.

vi There is no exposure to capital market during the year ended 31 March 2022 and 31 March 2021.

vii Financing of parent company products

The Company is a non-banking financing Company engaged in the business of wholesale and retail lending of agricultural, commercial equipments etc. manufactured by its parent company.

viii Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL)

The Company has not exceeded the prudential exposure limits during the year ended 31 March 2022 and 31 March 2021.

ix Unsecured advances

- a) The Company has not provided any unsecured advances as at 31 March 2022 and 31 March 2021 to the borrowers.
b) There has been no collateral by the way of rights, licenses, authorisations etc, against which the loan has been advanced as at 31 March 2022 and 31 March 2021.

x The Company does not have registration with any other financial sector regulator.

xi Disclosure of penalties imposed by RBI and other regulators

There has been no penalty imposed by RBI and other regulators during the financial year ended 31 March 2022 and 31 March 2021.

xii Detail of ratings assigned by credit rating agencies and migration of ratings during the year

Name of the rating agency	Year ended 31 March 2022	Year ended 31 March 2021
CRISIL Limited (Commercial Paper)	Crissil A1+	Crissil A1+

xiii There is no prior period item which has an impact on current year's profit. Further, the accounting policies have been changed as per the requirement of Ind AS.

xiv Revenue recognition

There were no instances where revenue recognition has been postponed pending the resolution of significant uncertainties during the year ended 31 March 2022 and 31 March 2021.

xv Provisions and contingencies

Particulars	(Amount in Rs. Crores)	
	Year ended 31 March 2022	Year ended 31 March 2021
Break up of 'Provisions and contingencies' shown under the head expenditure in Statement of Profit and Loss		
Impairment of financial instrument at amortised cost		
- Loans and other financial assets	55.87	39.53
Provision for doubtful debts	0.22	0.10
Provision made towards Income tax*	(0.88)	5.42

*net of deferred tax credit and tax adjustment for earlier years

xvi Related party transactions

Refer note 2.28 of financial statements for related party transactions disclosure. The Company did not have any transaction during the current year and previous year with non-executive directors.

xvii Drawdown from reserves

There has been no draw down from reserves during the financial year ended 31 March 2022 and 31 March 2021.



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xviii Asset liability management maturity pattern of certain items of assets and liabilities

Particulars	(Amount in Rs. Crores)										
	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 Year	Over 1 Year and upto 3 Years	Over 3 Years and upto 5 Years @	Over 5 Years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances*	34.56	8.51	38.45	82.00	181.24	368.20	270.10	646.89	176.98	9.68	1,816.57
	(34.24)	(20.96)	(33.59)	(82.51)	(172.99)	(326.63)	(224.44)	(693.82)	(216.27)	(4.94)	(1,810.39)
Investments	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Borrowings	-	-	63.88	97.54	94.24	191.39	299.84	674.80	26.70	-	1,448.39
	-	-	(45.44)	(153.16)	(139.28)	(156.10)	(295.48)	(553.34)	(44.45)	-	(1,387.45)
Foreign currency assets [§]	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign currency liabilities [§]	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

(previous year figures is shown in bracket)

*Advances comprise loan receivable before deferred pertaining income/expense and net off impairment provision for Stage 3

§ excludes assets/liabilities not related to financing activities

@ Stage 3 loans have been classified under the bucket of over 3 years and upto 5 years.



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xix Concentration of Advances

(Amount in Rs. Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
Total advances to twenty largest borrowers	147.40	140.06
Percentage of advances to twenty largest borrowers to total advances of the NBFC	7.62%	7.64%

*Advances represents loan receivables

xx Concentration of Exposures

(Amount in Rs. Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
Total exposure to twenty largest borrowers/customers	147.40	140.06
Percentage of exposures to twenty largest borrowers/customers to total exposures of the NBFC on borrowers / customers	7.62%	7.64%

*exposure above comprises of loan receivables

xxi Concentration of NPAs

(Amount in Rs. Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
Total exposure to top four NPA accounts	7.93	7.71

*exposure above comprises of loan receivables

xxii Sector-wise NPAs

(Amount in Rs. Crores)

Sector	Percentage of NPAs to total advances in that sector	
	As at 31 March 2022	As at 31 March 2021
1. Agriculture & allied activities	-	-
2. MSME	-	-
3. Corporate borrowers	-	-
4. Services	-	-
5. Unsecured personal loans	-	-
6. Auto loans*	10.34%	6.42%
7. Other personal loans	-	-

Note: Advances comprise loan receivable

* wholesale and retail lending of agricultural and commercial equipments (including to corporate borrowers) is also included here.

xxiii Movement of NPAs

(Amount in Rs. Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Net NPAs to Net Advances (%)	4.54%	3.15%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	117.75	66.06
(b) Additions during the year	142.69	83.21
(c) Reductions during the year	(60.53)	(31.52)
(d) Closing balance	199.92	117.75
(iii) Movement of net NPAs		
(a) Opening balance	55.73	38.00
(b) Additions during the year	71.51	39.21
(c) Reductions during the year	(44.65)	(21.48)
(d) Closing balance	82.59	55.73
(iv) Movement of provisions for NPAs		
(a) Opening balance	62.02	28.06
(b) Additions during the year	71.19	44.00
(c) Write off / Write back of excess provisions	(15.88)	(10.04)
(d) Closing balance	117.33	62.02

Note: Net advances comprise loan receivable reduced by Impairment on loan receivables on Stage 3. Further, the above movement is for Stage 3 loans.



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- xxiv **Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)**
The Company does not have any overseas assets.
- xxv **Off-balance Sheet SPVs sponsored**
There were no off-balance sheet SPVs sponsored by the Company during the year ended 31 March 2022 and 31 March 2021.
- xxvi **Disclosure of complaints**
There were no complaints received by the Company during the year ended 31 March 2022 and 31 March 2021.
- xxvii **Disclosure of value of imports on CIF basis**
The Company has not imported any goods therefore value of imports on CIF basis is Nil. (As on 31 March 2021 - Nil).

2.39 (b) Disclosures as required for liquidity risk

i Funding concentration based on significant counterparty* (both borrowings and deposits) (Amount in Rs. Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
Number of significant counterparties	10	9
Amount	1,448.37	1,387.46
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities	96.17%	94.99%

*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR, NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies.

ii Top 20 large deposits (Amount in Rs. Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
Total amount of top 20 deposits	NA	NA
Percentage of amount of top 20 deposits to total deposits	NA	NA

iii Top 10 borrowings (Amount in Rs. Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
Total amount of top 10 borrowings	1,448.37	1,387.46
Percentage of amount of top 10 borrowings to total borrowings	100.0%	100.0%

iv Funding concentration based on significant instrument / product* (Amount in Rs. Crores)

Particulars	As at 31 March 2022	Percentage of total liabilities
Bond	31.50	2.09%
External Commercial Borrowing (ECB)	201.27	13.36%
Loan from banks	1,215.60	80.71%

Particulars	As at 31 March 2021	Percentage of total liabilities
Bond	63.03	4.32%
External Commercial Borrowing (ECB)	222.15	15.21%
Loan from banks	1,102.28	75.49%

*Significant instrument / product is as defined in RBI Circular RBI/2019-20/88 DOR, NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies.

iv Stock ratio (Amount in Rs. Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
Commercial paper as a percentage of total public funds*	NA	NA
Commercial paper as a percentage of total liabilities	NA	NA
Commercial paper as a percentage of total assets	NA	NA
Other short term liabilities** as a percentage of total public funds	16.75%	37.46%
Other short term liabilities as a percentage of total liabilities	16.10%	35.60%
Other short term liabilities as a percentage of total assets	12.61%	28.41%
Non convertible debentures as a percentage of total public funds	NA	NA
Non convertible debentures as a percentage of total liabilities	NA	NA
Non convertible debentures as a percentage of total assets	NA	NA

* Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016, as amended from time to time.

**Other short term liabilities includes Working capital loans from banks, Bank overdraft, other non-financial liabilities and other financial liabilities (excluding lease liabilities and Interest free security deposits)

v Institutional set up for liquidity risk management

Refer note no. 2.36 of financial statements



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2.40 Asset Classification as per RBI Norms

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5	6	7
Performing Assets						
Standard	Stage 1	15,449.42	251.66	15,197.76	61.80	189.86
	Stage 2	1,887.19	58.72	1,828.48	7.55	51.17
Subtotal for standard		17,336.61	310.38	17,026.24	69.35	241.03
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,631.88	841.67	790.21	163.19	678.48
Doubtful - up to 1 year	Stage 3	255.84	226.29	29.54	51.17	175.12
1 to 3 years	Stage 3	111.48	105.39	6.08	33.44	71.95
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		367.32	331.68	35.62	84.61	247.08
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,999.20	1,173.36	825.83	247.80	925.56
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	15,449.42	251.66	15,197.76	61.80	189.86
	Stage 2	1,887.19	58.72	1,828.48	7.55	51.17
	Stage 3	1,999.19	1,173.36	825.83	247.80	925.56
	Total	19,335.81	1,483.74	17,852.07	317.15	1,166.59

2.41 Disclosure as per format prescribed under RBI circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 ("RBI Resolution Framework- 2.0") for the period ended 31 March 2022:

Particulars	Individual Borrowers	Small Businesses
i) Number of requests received for invoking resolution process under Part A of the Resolution Framework- 2.0	14	1
(ii) Number of accounts where resolution plan has been implemented under this window	14	1
(iii) Exposure to accounts mentioned at (ii) before implementation of the plan	23.72	8.00
(iv) Of (iii), aggregate amount of debt that was converted into other securities	NIL	NIL
(iv) Additional funding sanctioned, if any, including between invocation of the plan and implementation	NIL	NIL
v) Increase in provisions on account of the implementation of the resolution plan *	2.62	0.50

* The Company has recorded provision for impairment loss allowance including potential stress on probability of default and exposure at default as per expected credit loss model for the period ended 31 March 2022.

2.42 (a) There is no contingent liability as on 31 March 2022 and 31 March 2021.

2.42 (b) There is no capital commitment as on 31 March 2022 and 31 March 2021.

2.43 Additional information pursuant to Ministry of Corporate Affairs notification dated March 24, 2021 with respect to amendments in Schedule III or Companies Act, 2013

(i) There are no proceedings which have been initiated or pending against the company for holding any Benami property under the Benami Transactions

(ii) The company is not a wilful defaulter as declared by any bank or financial Institution or any other lender.

(iii) The company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies

(iv) There are no charges or Satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(v) There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or surveyor any other relevant provisions of the Income Tax Act, 1961).

(vi) The company has not traded or invested in Crypto Currency or Virtual Currency during the year.

(vii) Utilisation of borrowed funds



The Company, as part of its normal business, grants loans and advances to its customers, other entities and persons. These transactions are part of Company's normal finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate beneficiaries). The Company has also not received any fund from any parties (Funding party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

- (a) Repayable on demand; or
- (b) without specifying any terms or period of repayment

(ix) Since, the Company does not have any immovable property, clause related to title deeds of property not held in the company's own name is not applicable.

(x) The Company has not invested with number of layers of Companies during FY 2021-22, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

2.44 The disclosures required in terms of Paragraph 18 of Master Direction Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 given in Annexure A forming part of these financial statements.

2.45 Impact of COVID-19 pandemic

The outbreak of COVID-19 pandemic and consequent regional lockdowns has severely impacted various activities across the country. The extent of impact of COVID-19 on the economy would also be dependent upon on future developments including measures taken by the Government, Regulator, responses of businesses and consumers to the pandemic. Therefore, the impact on the Company's business, cash flows and financial results, is dependent on such future developments, which are highly uncertain.

During the current period, the RBI issued guidelines with regard to "Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" dated 5 May 2021. In accordance with this guidelines dated 5 May 2021 and Board approved policy, the Company offered restructuring plan to eligible customers i.e. moratorium period upto six months.

Based on an assessment by the Company, the above COVID-19 - Regulatory Package and Resolution Framework - 2.0 has not been deemed to be automatically triggering significant increase in credit risk and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. Accordingly, in respect of accounts where restructuring benefit has been granted, the staging of those accounts as at 31 March 2022 is based on the days past due status considering the benefit of Resolution Framework - 2.0- Resolution of Covid-19 related stress of Individuals and Small Businesses. The Company has stressed the exposure at default and probability of default on these assets and has recognized an expected credit loss on such loans.

2.46 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2022
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.47 During the current year, the company identified frauds committed by two employees. In both the cases, employees has misappropriated the cash collected from the customers either by not depositing the cash into the Company's account or inappropriately applied against certain other customer's loan accounts. The Contract with concerned suspected employees have been terminated / ceased by the Company. The Company has taken appropriate action, including, police complaint and other regulatory reporting. There has been no further impact of the above mentioned financial / accounting irregularities in the books of account, as the outstanding balance (net of recovery) amounting to Rs. 2.1 Millions has been fully provided for in the books of accounts.

In addition to the above mentioned cases, the Company is subject to the legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial conditions.

2.48 In accordance with the instructions in the RBI circular dated 7 April 2021, all lending institutions shall refund / adjust 'interest on interest' to all borrowers including those who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Company has estimated the amount of Rs. Nil (Previous year INR 8.10 Millions) and made provision for refund adjustment.

2.49 Previous year figures has been re-grouped / reclassified to confirm the current period classifications, wherever necessary.

For S S Kothari Mehta & Company
Chartered Accountants
ICAI Firm Registration No. 000756N

For and on behalf of the Board of Directors of
CNH Industrial Capital (India) Private Limited


per Vijay Kumar
Partner
Membership No. 092671



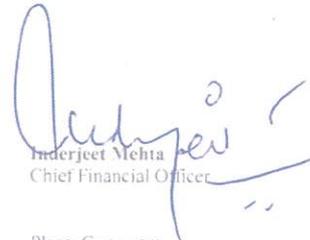
Place: Gurugram
Date: 30.06.2022


Vishal Chaudhury
Managing Director
DIN No.: 09463209

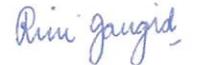
Place: Gurugram
Date: 30.06.2022


Raunak Varma
Director
DIN No.: 07234008

Place: Gurugram
Date: 30.06.2022


Inderjeet Mehta
Chief Financial Officer

Place: Gurugram
Date: 30.06.2022


Rini Jangid
Company Secretary
Membership No.: 24950

Place: Gurugram
Date: 30.06.2022

CNH Industrial Capital (India) Private Limited
Annexure A (forming part of the financial statements)
Notes for the year ended 31 March 2022

(All amounts are in Rupees Millions except share data and unless otherwise stated)

(i) Funding concentration based on significant counterparty

Information as required under Appendix I of RBI Circular "RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated 4 November 2019" paragraph 18 of the RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are as follows:

(Amount in Rs. Lakhs)					
S.No.	Particulars	As at 31 March 2022		As at 31 March 2021	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities side:				
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
	(a) Debentures:				
	-Secured	-	-	-	-
	-Unsecured*	3,150	-	6,300	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred credits	-	-	-	-
	(c) Term loans	118,233	-	104,485	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial paper	-	-	-	-
	(f) Public deposits	-	-	-	-
	(g) Other loans (please specify)				
	-External Commercial Borrowings	19,888	-	21,933	-
	-Bank overdraft	3,230	-	5,740	-
	* represents bonds				
2	Asset side:			Amount outstanding	
				As at 31 March 2022	As at 31 March 2021
	Break-up of loans and advances including bills receivables (other than those included in (3) below)*:				
	(a) Secured			193,358	183,338
	(b) Unsecured			-	-
3	Break-up of leased assets and stock on hire and other assets counting towards AFC activities			As at 31 March 2022	As at 31 March 2021
	(i) Lease assets including lease rentals under sundry debtors:				
	(a) Financial lease			-	-
	(b) Operating lease			-	-
	(ii) Stock on hire including hire charges under sundry debtors:				
	(a) Assets on hire			-	-
	(b) Repossessed assets			-	-
	(iii) Other loans counting towards AFC activities:				
	(a) Loans where assets have been repossessed			-	-
	(b) Loans other than (a) above			-	-
4	Break-up of investments			As at 31 March 2022	As at 31 March 2021
	Current investments:				
	I. Quoted:				
	(i) Shares:				
	(a) Equity			-	-
	(b) Preference			-	-
	(ii) Debentures and bonds			-	-
	(iii) Units of mutual funds			-	-
	(iv) Government securities			-	-
	(v) Others (please specify)			-	-



CNH Industrial Capital (India) Private Limited
Annexure A (forming part of the financial statements)
Notes for the year ended 31 March 2022
(All amounts are in Rupees Millions except share data and unless otherwise stated)

Break-up of investments		As at 31 March 2022	As at 31 March 2021		
2. Unquoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and bonds (iii) Units of mutual funds (iv) Government securities (v) Others (please specify) Long term investments: 1. Quoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and bonds (iii) Units of mutual funds (iv) Government securities (v) Others (please specify) 2. Unquoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and bonds (iii) Units of mutual funds (iv) Government securities (v) Others (please specify)		-	-		
5	Borrower group wise classification of assets financed as in (2) and (3) above* : Category 1 Related Parties: (a) Subsidiaries (b) Companies in the same group (c) Other related parties 2 Other than related parties Total * Net of expected credit loss provision on loans	As at 31 March 2022		As at 31 March 2021	
		Secured	Unsecured	Secured	Unsecured
		-	-	-	-
		193,358	-	183,338	-
		193,358	-	183,338	-
6	Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Category 1 Related Parties: (a) Subsidiaries (b) Companies in the same group (c) Other related parties 2 Other than related parties Total	As at 31 March 2022		As at 31 March 2021	
		Market value/ Break-up or Fair value or NAV	Book value (net of provision)	Market value/ Break- up or Fair value or NAV	Book value (net of provision)
		-	-	-	-
		-	-	-	-
		-	-	-	-
7	Other information (i) Gross Non-Performing Assets* (a) Related parties (b) Other than related parties (ii) Net Non-Performing Assets (a) Related parties (b) Other than related parties (iii) Assets acquired in satisfaction of debts *Gross non performing assets represents loans classified as Stage 3 loans. *Net non performing assets represents Gross Non Performing assets less net off expected credit loss provision thereon.	As at 31 March 2022		As at 31 March 2021	
		-	-	-	-
		-	-	19,992	11,774
		-	-	8,259	5,573
		-	-	-	-



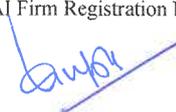
CNH Industrial Capital (India) Private Limited
Balance Sheet as at 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Financial assets			
a) Cash and cash equivalents	2.1	566.60	600.81
b) Derivative financial instruments	2.27	126.42	-
c) Receivables			
i) Trade receivables	2.2	55.30	40.13
ii) Other receivables	2.3	0.99	2.16
d) Loans	2.4	17,598.26	17,852.07
e) Other Financial assets	2.5	9.03	9.98
Non-financial assets			
a) Non Current tax assets (net)	2.6	148.00	193.13
b) Deferred tax assets (net)	2.7	434.89	457.40
c) Property, plant and equipment	2.8 (a)	29.21	27.25
d) Other Intangible assets	2.8 (b)	38.05	4.89
e) Other non-financial assets	2.9	56.86	44.60
Total Assets		19,063.61	19,232.42
Liabilities and Equity			
Financial liabilities			
a) Derivative financial instruments	2.27	-	31.73
b) Payables			
i) Other Payables			
- Total outstanding dues of micro enterprises and small enterprises	2.10	0.48	0.58
- Total dues of creditors other than micro enterprises and small	2.10	92.57	87.30
c) Debt securities	2.11	-	315.00
d) Borrowings (Other than Debt Securities)	2.12	13,871.21	14,168.71
e) Other financial liabilities	2.13	704.96	412.48
Non-financial liabilities			
a) Provisions	2.14	26.83	29.60
b) Other non-financial liabilities	2.15	17.46	15.38
Equity			
a) Equity share capital	2.16	3,972.00	3,972.00
b) Other equity	2.17	378.10	199.64
Total Liabilities and Equity		19,063.61	19,232.42
Summary of significant accounting policies		1	

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S S Kothari Mehta & Company
Chartered Accountants
ICAI Firm Registration No. 000756N


per Vijay Kumar
Partner
Membership No. 092671

Place: New Delhi
Date: 30 June 2023



**For and on behalf of the Board of Directors of
CNH Industrial Capital (India) Private Limited**


Vishal Chaudhury
Managing Director
DIN No.: 09463209

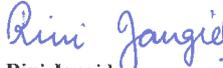
Place: Gurugram
Date: 30 June 2023


Narinder Mittal
Director
DIN No.: 07382202

Place: Gurugram
Date: 30 June 2023


Inderjeet Mehta
Chief Financial Officer

Place: Gurugram
Date: 30 June 2023


Rini Jangid
Company Secretary
Membership No.: 24950

Place: Gurugram
Date: 30 June 2023

CNH Industrial Capital (India) Private Limited
Statement of profit and loss for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations			
Interest income	2.18	2,240.96	2,190.21
Fee income	2.19	83.66	70.50
Total Revenue from operations		2,324.62	2,260.71
Other Income	2.20	26.45	18.59
Total Income (I)		2,351.07	2,279.30
Expenses			
Finance costs	2.21	882.25	850.34
Impairment on financial instruments	2.22	593.55	737.00
Employee benefits expense	2.23	263.18	237.50
Depreciation and amortisation	2.24	16.60	20.93
Other expenses	2.25	341.82	305.87
Total expenses (II)		2,097.40	2,151.64
Profit before tax (III)=(I)-(II)		253.67	127.66
Tax expenses:			
Current Income tax		50.81	159.25
Prior year Income tax		42.10	-
Deferred tax		12.39	(168.02)
Total tax expenses (IV)		105.30	(8.77)
Profit after tax (III)-(IV)		148.37	136.43
Other comprehensive income			
a) Items that will not to be reclassified to profit or loss			
i) Re-measurement gain on defined benefit plans		2.12	2.27
ii) Income tax impact on items that will not be reclassified to profit or loss		(0.53)	(0.57)
b) Items that will reclassified to profit or loss			
i) Fair value gain on derivative Financial Instruments		38.08	41.86
ii) Income tax impact on items that will not to be reclassified to profit or loss		(9.58)	(10.54)
Total Other comprehensive income for the year (net of tax)		30.09	33.02
Total Comprehensive income for the year		178.46	169.45
Earnings per equity share	2.26		
Basic (Rs.)		0.37	0.35
Diluted (Rs.)		0.37	0.35
Nominal value per share (Rs.)		10.00	10.00
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements
As per our report of even date .

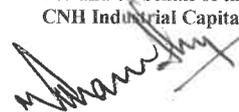
For S S Kothari Mehta & Company
Chartered Accountants
ICAI Firm Registration No. 000756N


per Vijay Kumar
Partner
Membership No. 092671

Place: New Delhi
Date: 30 June 2023



**For and on behalf of the Board of Directors of
CNH Industrial Capital (India) Private Limited**


Vishal Chaudhury
Managing Director
DIN No.: 09463209

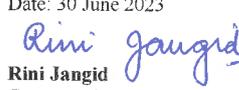
Place: Gurugram
Date: 30 June 2023


Inderjeet Mehta
Chief Financial Officer

Place: Gurugram
Date: 30 June 2023


Varinder Mittal
Director
DIN No.: 07382202

Place: Gurugram
Date: 30 June 2023


Rini Jangid
Company Secretary
Membership No.: 24950

Place: Gurugram
Date: 30 June 2023

CNH Industrial Capital (India) Private Limited
Statement of Changes in equity for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

a) Equity share capital:

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Balance as at April 1, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
3,972.00	-	3,972.00	-	3,972.00

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Balance as at April 1, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
3,637.00	-	3,637.00	335.00	3,972.00

*refer note 2.16

b) Other equity

Particulars	Reserves and surplus	Other reserves	Other Comprehensive Income	Total equity
	Retained earnings	Statutory Reserve	Cash Flow hedge reserve	
As at 1 April 2021	56.23	27.25	(53.29)	30.19
Profit for the year ended 31 March 2022	136.43	-	-	136.43
Other comprehensive income / (loss) for the year ended 31 March 2022	1.70	-	31.32	33.02
Transferred to Statutory Reserve	(33.89)	33.89	-	-
As at 1 April 2022	160.47	61.14	(21.97)	199.64
Profit for the year ended 31 March 2023	148.37	-	-	148.37
Other comprehensive income / (loss) for the year ended 31 March 2023	1.59	-	28.50	30.09
Transferred to Statutory Reserve	(29.67)	29.67	-	-
As at 31 March 2023	280.76	90.81	6.53	378.10

The accompanying notes are an integral part of the financial statements.

As per our report of even date

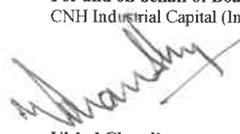
For S S Kothari Mehta & Company
Chartered Accountants
ICAI Firm Registration No. 000756N


per Vijay Kumar
Partner
Membership No. 092671

Place: New Delhi
Date: 30 June 2023



For and on behalf of Board of Directors of
CNH Industrial Capital (India) Private Limited


Vishal Chaudhury
Managing Director
DIN No.: 09463209

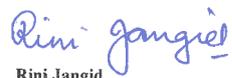
Place: Gurugram
Date: 30 June 2023


Anuraj Mehta
Chief Financial Officer

Place: Gurugram
Date: 30 June 2023


Anand Mital
Director
DIN No.: 07382202

Place: Gurugram
Date: 30 June 2023


Rini Jangid
Company Secretary
Membership No.: 24950

Place: Gurugram
Date: 30 June 2023

CNH Industrial Capital (India) Private Limited
Cash flow statement for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A Cash flow from operating activities:		
Net profit before tax	253.67	127.66
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	16.60	20.93
Interest on lease liabilities	2.68	1.00
Share issue expense	-	0.84
Unrealised exchange loss / (gain) or foreign currency transactions	1.14	0.17
Provision for employee benefits	(0.65)	2.09
Liabilities no longer required written back	(4.53)	-
Provision for doubtful debts	1.89	2.17
Loss on sale of repo units and write-off	470.38	178.30
Gain on derecognition of lease liability	(0.05)	-
Impairment loss on financial instruments	123.17	558.70
Interest income on financial assets measured at fair value	(0.71)	(0.02)
Impairment of intangible asset under development	-	1.49
Operating profit before working capital changes	863.59	893.33
Changes in working capital		
(Increase) / decrease in trade receivables	(15.17)	2.06
Decrease / (Increase) in other receivables	1.17	(2.16)
(Increase) in loans	(339.74)	(1,180.32)
(Increase) in other financial assets	(0.00)	(1.31)
(Increase) in other non-financial assets	(14.15)	(9.49)
Increase in other payables	4.78	5.56
Increase / (decrease) in other financial liabilities	294.97	(55.88)
Increase / (decrease) in other non-financial liabilities	2.09	(1.86)
Cash flow from / (used in) operating activities	797.54	(350.07)
Less: Income tax paid	(47.78)	(236.36)
Net cash flow from / (used in) operating activities (A)	749.76	(586.43)
B Cash flow from investing activities:		
Purchase of Property plant and equipment and intangible assets	(40.88)	(0.36)
Principal receipts under sublease	1.66	-
Net cash used in investing activities (B)	(39.22)	(0.36)
C Cash flow from financing activities:		
Issue of equity shares	-	335.00
Share issue expenses	-	(0.84)
Lease liability paid	(8.74)	(8.82)
Interest paid on lease liability	(2.68)	(1.00)
Proceeds from borrowings	7,077.29	10,375.61
Repayment of borrowings	(7,487.63)	(10,170.27)
Net Cash (used in) / flow from financing activities (C)	(421.76)	529.68
Net increase / (decrease) in cash and cash equivalents (A+B+C)	288.78	(57.11)
Cash and cash equivalents as at the beginning of the year	277.82	334.93
Cash and cash equivalents at the end of the year	566.60	277.82
Components of cash and cash equivalents		
Cash on hand	8.98	11.96
Balance with banks		
In current accounts	213.47	97.85
In Deposits with original maturity of less than three months	344.15	491.00
Less: Bank overdraft	-	(322.99)
Total Cash and Cash Equivalents (notes 2.1)	566.60	277.82
Summary of significant accounting policies	1	

The above Statement of Cash Flows has been prepared under the indirect method as set out in IND AS 7 "Statement of Cash Flows".

As per our report of even date

For S S Kothari Mehta & Company
Chartered Accountants
ICAI Firm Registration No. 000756

per Vijay Kumar
Partner
Membership No. 092671

Place: New Delhi
Date: 30 June 2023



**For and on behalf of the Board of Directors of
CNH Industrial Capital (India) Private Limited**

Vishal Chaudhury
Managing Director
DIN No.: 09463209

Place: Gurugram
Date: 30 June 2023

Indrajeet Mehta
Chief Financial Officer

Place: Gurugram
Date: 30 June 2023

Narinder Mittal
Director
DIN No.: 07382202

Place: Gurugram
Date: 30 June 2023

Rini Jangid
Company Secretary
Membership No.: 24950

Place: Gurugram
Date: 30 June 2023

CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

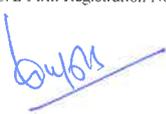
2.47 During the current year, the company identified frauds committed by five of its employees. In all the cases, employees has misappropriated the cash collected from the customers by not depositing the cash into the Company's account. The Contract with concerned suspected employees have been terminated / ceased by the Company. The Company has taken appropriate action, including, police compliant and other regulatory reporting. There has been no further impact of the above mentioned financial / accounting irregularities in the books of account, as the amount involved and outstanding balance amounting to Rs. 3.88 Millions has been fully provided for in the books of accounts. Company has subsequently approached the Insurance Company to recover the losses.

The accumulated outstanding balance (net of recovery) amounting to Rs. 4.06 Millions was provided for in the books of accounts as at the end of the year.

In addition to the above mentioned cases, the Company is subject to the legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial conditions.

2.48 Previous year figures has been re-grouped/ reclassified to confirm the current period classifications, wherever necessary.

For S S Kothari Mehta & Company
Chartered Accountants
ICAI Firm Registration No. 000756N

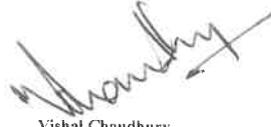


per Vijay Kumar
Partner
Membership No. 092671

Place: New Delhi
Date: 30 June 2023



For and on behalf of the Board of Directors of
CNH Industrial Capital (India) Private Limited



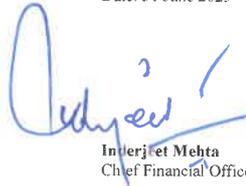
Vishal Chaudhury
Managing Director
DIN No.: 09463209

Place: Gurugram
Date: 30 June 2023



Narinder Mittal
Director
DIN No.: 07382202

Place: Gurugram
Date: 30 June 2023



Inerjet Mehta
Chief Financial Officer

Place: Gurugram
Date: 30 June 2023



Rini Jangid
Company Secretary
Membership No. 24950

Place: Gurugram
Date: 30 June 2023

CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

A. Corporate information

CNH Industrial Capital (India) Private Limited ("the Company") was incorporated on 23 October 2017, as a private limited Company and is set up to carry on the business of wholesale and retail lending of agricultural, commercial equipment's etc.

The Company is a wholly owned subsidiary of CNH Industrial (India) Private Limited. The Company has received the Certificate of Registration no. N-14.03413 dated 2 April 2018 from the Reserve Bank of India (the 'RBI') to carry on the business of Non-Banking Financial Institution without acceptance of public deposit.

The Company had subsequently issued and listed its Commercial papers on Bombay Stock Exchange ("BSE") with effect from 9 June 2023.

B. Basis of preparation of financial statements

a) Statement of compliance in preparation of financial statements

(i) These financial statements for the year ended 31 March 2023 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standard) Rules, 2015 (as amended from time to time) notified under section 133 of the Companies Act 2013 (the "Act") and other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended time to time ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

b) Basis of measurement

The financial statements have been prepared on the accrual basis as a going concern and under the historical cost convention, except for certain financial assets and liabilities that are measured at fair value as explained in relevant accounting policies.

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ("NBFCs") that are required to comply with Ind AS. The Statement of Cash flows has been presented as per the requirements of Ind AS Statement of Cash Flows.

c) Presentation of financial statements

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

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

d) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

e) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Judgements, assumptions and estimation uncertainties

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have a significant impact on the carrying amount of assets and liabilities at each balance sheet date:

Business model assessment - Classification of financial assets: Assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

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

Fair Value of Financial Instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is carried out in establishing fair values. Judgements and estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Impairment of financial instruments : Determining inputs into the ECL measurement model, including incorporation of forward looking information including key assumptions used in estimating recoverable cash flows.

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different level of allowances. The company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns Probability of Defaults (PD) to the individual grades;
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time ECL ('LTECL') basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral levels, and the effect on PD, Exposure at Defaults (EAD) and Loss Given Defaults (LGD);
- Selection of forward looking macroeconomics scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.



CNH Industrial Capital (India) Private Limited
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Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Measurement of defined benefit obligations: Key actuarial assumptions

The measurement of obligations related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal, mortality rates etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.

Recognition of deferred tax assets

The Company has recognized deferred tax assets/ (liabilities) and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time.

Recognition and measurement of provisions and contingencies

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in statutory litigation in the ordinary course of the Company's business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

f) Measurement of fair value

The Company's accounting policies and disclosures require/ may require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into the different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company measures financial instruments, such as, loans, at fair value at each reporting date.

1 Summary of significant accounting policies

1.1 Revenue recognition

(i) Interest income, for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as "Stage 3", the company recognises interest income on receipt basis.

(ii) Foreclosure charges, penal interest on delayed payments and other dues in respect of loans are recognized on receipt basis.

(iii) Interest income from fixed deposit: Revenue from interest on bank deposits are recognised on accrual basis.

1.2 Property, plant and equipment (PPE), Intangible assets, Depreciation and amortisation

PPE

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.



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Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Depreciation and amortisation

Depreciation and amortisation of PPE and Intangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management has estimated the following lives to provide depreciation and amortisation of its property, plant and equipment and intangible assets.

Assets	Useful lives estimated by the management (years)
Computers	3 years
Furniture and fixtures	10 years
Software	3-5 years

Depreciation on additions is being provided on pro rata basis from the date of such additions. Similarly, depreciation on assets sold / disposed off during the year is being provided up to the dates on which such assets are sold / disposed off. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

The useful lives as mentioned above are reviewed by the management at each reporting date and revised, if appropriate. In case of a revision, the unamortised depreciable / amortisable amount is charged over the revised remaining useful life.

1.3 Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1.4 Foreign currency translation

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Income and expenses in foreign currencies are initially recorded by the Company at the exchange rates prevailing on the date of the transaction.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

1.5 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company provides gratuity benefits which is a defined benefit scheme. The cost of providing gratuity benefits is determined on the basis of actuarial valuation at each year end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absence as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes.



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1.6 Cash and cash equivalent

Cash and cash equivalent comprises of cash in hand, demand deposits and time deposits with original maturity of less than three months held with bank.

1.7 Leases

The Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where the Company is lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 1.3 Impairment of non-financial assets.

ii) Lease liability

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii) Short term lease

The Company applies the short-term lease recognition exemption to its short term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as and when due.

1.8 Taxes

Tax expense comprises current and deferred tax.

Current Income tax

Current Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.9 Provision and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the Statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date. Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

1.10 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



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1.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.11.1 Financial Assets

1.11.1.1 Initial recognition and measurement

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed to the customers. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

1.11.1.2 Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

1.11.1.3 Debt instruments at amortised costs

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

1.11.1.4 Debt instruments at FVOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

1.11.1.5 Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and loss.

1.11.1.6 Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading, classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

1.11.2 Financial Liabilities

1.11.2.1 Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

1.11.2.2 Classification and Subsequent measurement - Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

1.11.2.3 Classification and Subsequent measurement - Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

1.11.3 Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.



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1.11.4 De recognition of financial assets and liabilities

1.11.4.1 Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition.

The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

Or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.11.4.2 Financial Liabilities

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

1.12 Impairment of financial assets

Impairment of financial instruments:

The Company applies the ECL model in accordance with Ind AS 109 for recognising impairment loss on financial assets. The ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial asset ("lifetime ECL"), unless there has been no significant increase in credit risks since origination, in which case, the allowance is based on the 12-month ECL. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is calculated on individual / collective basis, considering the nature of the underlying portfolio of financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. When determining whether the risk of default on a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without cost or effort. This includes both quantitative and qualitative information and analysis based on a provision matrix which takes into account the Company's historical credit loss experience, current economic conditions, forward looking information and scenario analysis.

The expected credit loss is a product of exposure at default ('EAD'), probability of default ('PD') and loss given default ('LGD'). The Company has devised an internal model to evaluate the PD and LGD based on the parameters set out in Ind AS 109. Accordingly, the financial assets have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial assets.

The Company categories financial assets at the reporting date into stages based on the following criteria:

- Stage 1: These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e. exposures with no overdues) and exposure upto 30 days overdues fall under this category. In accordance with Ind AS 109, the Company measures ECL on such assets over next 12 months.

- Stage 2: Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposures exceed for a period more than 30 days. Accordingly, the Company classifies all exposures with overdues exceeding 30 days at each reporting date under this stage. The Company measures lifetime ECL on Stage 2 loans.

- Stage 3: All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure. Interest on such contracts is calculated by applying the effective interest rate to the amortised cost (net of impairment allowance) instead of the gross carrying amount and recognised on receipt basis. The method is similar to Stage 2 assets, with the probability of default set at 100%.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The calculation of ECLs:

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

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



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- EAD - The Exposure at Default is an exposure at a default date. The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

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

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

- Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

- Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Forward looking information:

The Company incorporates forward looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

Write Offs:

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to Statement of profit and loss account.

1.13 New Technical Pronouncement

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2023.



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2.1 Cash and bank balance

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
Cash on hand	8.98	11.96
Balance with banks		
In Current accounts	213.47	97.85
In Deposits with original maturity of less than three months	344.15	491.00
Total	566.60	600.81

2.2 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured and considered good from related parties (refer note no. 2.28)	55.30	40.13
Total	55.30	40.13

Trade receivable ageing schedule

Particulars	Outstanding for following periods from due date of payment		
	As at 31 March 2023		
	Not Due	Less than 6 months	Total
Undisputed Trade receivables – considered good	40.52	14.78	55.30

Particulars	Outstanding for following periods from due date of payment		
	As at 31 March 2022		
	Not Due	Less than 6 months	Total
Undisputed Trade receivables – considered good	25.62	14.51	40.13

2.3 Other receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured and considered good from related parties (refer note no 2.28)	0.99	2.16
Total	0.99	2.16

Other receivable ageing schedule

Particulars	Outstanding for following periods from due date of payment		
	As at 31 March 2023		
	Not Due	Less than 6 months	Total
Undisputed Other receivables – considered good	0.12	0.87	0.99

Particulars	Outstanding for following periods from due date of payment		
	As at 31 March 2022		
	Not Due	Less than 6 months	Total
Undisputed Other receivables – considered good	-	2.16	2.16



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Notes forming part of financial statements for the year ended 31 March 2023

2.4 Loans (measured at amortised cost)

Particulars	As at 31 March 2023	As at 31 March 2022
(A)		
Retail loans and commercial finance	19,205.17	19,335.81
Total (A) Gross	19,205.17	19,335.81
Less: Impairment loss allowance	(1,606.91)	(1,483.74)
Total (A) Net	17,598.26	17,852.07
(B)		
(i) Secured by tangible assets	17,860.08	18,049.47
(ii) Covered by bank guarantees	-	-
(iii) Secured and covered by both - tangible assets and bank guarantees	1,345.09	1,286.34
(iv) Unsecured	-	-
Total (B) Gross	19,205.17	19,335.81
Less: Impairment loss allowance	(1,606.91)	(1,483.74)
Total (B) Net	17,598.26	17,852.07
(C) Loans in India		
(i) Public sector	-	-
(ii) Others	19,205.17	19,335.81
Total (C) Gross	19,205.17	19,335.81
Less: Impairment loss allowance	(1,606.91)	(1,483.74)
Total (C) Net	17,598.26	17,852.07

2.5 Other financial assets (measured at amortised cost)

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits measured at amortised cost (considered good)	3.29	3.07
Interest accrued on fixed deposits	0.00	-
Receivable from Govt authorities - Exgratia	-	0.00
Lease receivables	5.74	6.91
Total	9.03	9.98

2.6 Non Current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance tax and tax deducted at source (net of provision for tax of Rs. 189.74 Millions (previous year Rs. 479.78 Millions))	148.00	193.13
Total	148.00	193.13

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

(A) Amount recognised in the Statement of profit and loss:	For the year ended 31 March 2023	For the year ended 31 March 2022
Income tax expense:		
Current year tax expense	50.81	159.25
Adjustments in respect of current income tax of previous year	42.10	-
Deferred tax charge/(credit):	12.39	(168.02)
Tax expense reported in the statement of profit or loss	105.30	(8.77)



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(B) Income tax recognised in Other comprehensive income:		For the year ended 31 March 2023	For the year ended 31 March 2022
	Deferred tax charge/(credit) related to items recognised in OCI during in the year:		
	-on remeasurements of defined benefit plans	0.53	0.57
	-on cash flow ledges	9.58	10.54
	Income tax charged to OCI	10.11	11.11
(C) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:			
		For the year ended 31 March 2023	For the year ended 31 March 2022
	Profit before tax	253.67	127.66
	Adjustments:		
	Deffered tax relating to earlier year	(4.61)	(164.84)
	Prior year tax expense	167.29	-
	Effect of expenses/ provisions not deductible in determine taxable profit	2.06	2.33
	Adjusted profit (a)	418.41	(34.85)
	Current year tax expense	50.81	159.25
	Prior year tax expense	42.10	-
	Deferred tax	12.39	(168.02)
	Adjusted tax (b)	105.30	(8.77)
	Applicable tax rate (b/a)	25.17%	25.17%

2.7 Deferred tax:

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets		
- On preliminary expenses	-	0.04
- On Impairment loss allowance	376.57	349.04
- On provision for gratuity and compensated absences - Other than OCI	7.90	8.07
- On provision for bonus and incentive	3.98	3.29
- On Excess Written Down Value between Companies Act and Income tax Act	0.86	2.39
- On fair value loss on derivative financial instruments - OCI	-	7.38
- On Others	78.55	87.76
Deferred tax liability		
- On fair value loss on derivative financial instruments - OCI	2.20	-
- On fair value loss on derivative financial instruments - other than OCI	29.62	-
- On Re-measurement gain on defined benefit plans - OCI	1.15	0.57
Total	434.89	457.40



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Notes forming part of financial statements for the year ended 31 March 2023

Movement of deferred tax assets/ liabilities presented in Balance Sheet:

31 March 2023	As at the beginning of the year	Charge to profit and loss	Charge to Other Comprehensive Income	As at the end of the year
Deferred tax assets				
- On preliminary expenses	0.04	(0.04)	-	-
- On Impairment loss allowance	349.04	27.53	-	376.57
- On provision for gratuity and compensated absences	8.07	(0.17)	-	7.90
- On provision for bonus and incentive	3.29	0.69	-	3.98
- On Excess Written Down Value of property, plant and equipment between Companies Act and Income tax Act	2.39	(1.53)	-	0.86
- On Others	87.76	(9.21)	-	78.55
- On fair value loss on derivative financial instruments - OCI	7.38	-	(9.58)	(2.20)
- On fair value loss on derivative financial instruments - other than OCI	-	(29.62)	-	(29.62)
- On Re-measurement gain on defined benefit plans - OCI	(0.57)	(0.05)	(0.53)	(1.15)
Total	457.40	(12.39)	(10.11)	434.89

Movement of deferred tax assets/ liabilities presented in Balance Sheet:

31 March 2022	As at the beginning of the year	Charge to profit and loss	Charge to Other Comprehensive Income	As at the end of the year
Deferred tax assets				
- On preliminary expenses	0.09	(0.05)	-	0.04
- On Impairment loss allowance	223.65	125.39	-	349.04
- Impact of expenditure charged to A159 the statement of profit and loss in the current year but allowed for tax purposes on payment basis	57.14	41.98	-	99.12
- On Fair Value Loss on derivative Financial Instruments	17.92	-	(10.54)	7.38
- On Excess Written Down Value of property, plant and equipment between Companies Act and Income tax Act	1.82	0.57	-	2.39
- On Re-measurement gain on defined benefit plans	(0.14)	0.13	(0.57)	(0.57)
Total	300.48	168.02	(11.11)	457.40



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2.8 (a) Property, plant and equipment

Particulars	Computers	Furnitures and fixtures	Right of use Building*	Right of use Vehicles*	Total
Cost					
At 1 April 2021	4.58	0.22	16.69	11.83	33.32
Additions	0.32	-	24.17	2.64	27.13
Disposals	-	-	(16.69)	(6.94)	(23.63)
At 31 March 2022	4.90	0.22	24.17	7.53	36.82
Additions	-	0.07	0.28	10.77	11.12
Disposals	(2.75)	-	(0.51)	(2.44)	(5.70)
At 31 March 2023	2.15	0.29	23.94	15.86	42.24
Depreciation and amortisation					
At 1 April 2021	3.35	0.05	12.33	4.72	20.45
Additions	0.93	0.02	4.80	4.00	9.75
Disposals	-	-	(16.55)	(4.08)	(20.63)
At 31 March 2022	4.28	0.07	0.58	4.64	9.57
Additions	0.47	0.02	5.07	3.39	8.95
Disposals	(2.75)	-	(0.32)	(2.42)	(5.49)
At 31 March 2023	2.00	0.09	5.33	5.61	13.03
Net block					
At 31 March 2022	0.62	0.15	23.59	2.89	27.25
At 31 March 2023	0.15	0.20	18.61	10.25	29.21

*also refer to note 2.30



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2.8 (b) Intangible assets

Particulars	Software	Total
Cost		
At 1 April 2021	96.79	96.79
Additions	-	-
At 31 March 2022	96.79	96.79
Additions	40.81	40.81
At 31 March 2023	137.60	137.60
Depreciation and amortisation		
At 1 April 2021	80.72	80.72
Charge for the year	11.18	11.18
At 31 March 2022	91.90	91.90
Charge for the year	7.65	7.65
At 31 March 2023	99.55	99.55
Net block		
At 31 March 2022	4.89	4.89
At 31 March 2023	38.05	38.05



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2.9 Other non-financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Prepaid expense (considered good)	13.95	16.35
Advance to suppliers		
Considered good	10.83	5.86
Considered doubtful	1.00	1.00
Advance to employees		
Considered good	0.51	0.24
Considered doubtful	4.06	2.17
Goods and service tax receivable (net off)	31.57	22.15
Provision for doubtful debts	(5.06)	(3.17)
Total	56.86	44.60

2.10 Other Payables

Particulars	As at 31 March 2023	As at 31 March 2022
Other payables		
MSME	0.48	0.58
Others	92.57	87.30
Total	93.05	87.88

Other Payables aging schedule

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Not due	Less than 1 year	1-2 years	2-3 years	
i) MSME	-	-	-	-	-
ii) Others	86.02	6.12	0.22	0.21	92.57
iii) Disputed dues - MSME*	-	-	0.48	-	0.48
iv) Disputed dues - Others	-	-	-	-	-
Total	86.02	6.12	0.70	0.21	93.05

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Not due	Less than 1 year	1-2 years	2-3 years	
i) MSME*	-	0.58	-	-	0.58
ii) Others	83.89	3.20	0.21	-	87.30
iii) Disputed dues - MSME*	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
TOTAL	83.89	3.78	0.21	-	87.88

* Please refer note no. 2.31.

Note: There is no outstanding for more than 3 years as on 31 March 2023 and 31 March 2022.

2.11 Debt securities (measured at amortised cost)

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost (Unsecured)		
Bond (Outside India)*	-	315.00
Total	-	315.00

*The Company had issued Masala Bond carrying an interest rate of 7.99% per annum payable on quarterly basis. The Bond was repayable in quarterly instalments starting from 29 December 2020.



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Notes forming part of financial statements for the year ended 31 March 2023

2.12 Borrowings (measured at amortised cost) (Unsecured)

Particulars	As at	As at
	31 March 2023	31 March 2022
Term loans from banks (refer note 1 below)	9,304.26	10,203.30
Working capital loans from banks (refer note 2 below)	3,000.00	1,620.00
Bank overdraft (refer note 3 below)	-	322.99
External Commercial Borrowings (refer note 4 below)	1,538.90	1,988.80
Interest accrued on borrowings	28.05	33.62
Total (A)	13,871.21	14,168.71
Borrowings in India	12,314.96	12,156.04
Borrowings Outside India	1,556.25	2,012.67
Total (B)	13,871.21	14,168.71
Secured	-	-
Unsecured	13,871.21	14,168.71
Total (C)	13,871.21	14,168.71

Note 1: Terms and conditions of repayment of term loan from banks:

31 March 2023

Loan and ROI	Maturity date	Interest Payment Terms	Amount Outstanding as on 31 March 2023	Principal Repayment Terms
Term loan 1 - ROI 5.45%	31-05-2024	Monthly	204.76	Quarterly
Term loan 2 - ROI 5.45%	31-05-2024	Monthly	255.95	Quarterly
Term loan 3 - ROI 5.45%	14-06-2024	Monthly	279.43	Quarterly
Term loan 4 - ROI 6.30%	10-07-2024	Monthly	280.00	Quarterly
Term loan 5 - ROI 6.30%	13-10-2024	Monthly	107.50	Quarterly
Term loan 6 - ROI 6.20%	30-11-2024	Monthly	500.00	Quarterly
Term loan 7 - ROI 5.95%	31-12-2024	Monthly	555.00	Quarterly
Term loan 8 - ROI 5.75%	30-03-2025	Monthly	179.97	Quarterly
Term loan 9 - ROI 5.70%	30-04-2025	Monthly	119.98	Quarterly
Term loan 10 - ROI 4.99%	25-06-2025	Monthly	420.75	Quarterly
Term loan 11 - ROI 4.99%	30-06-2025	Monthly	420.75	Quarterly
Term loan 12 - ROI 4.50%	30-09-2025	Monthly	478.00	Quarterly
Term loan 13 - ROI 4.50%	30-09-2025	Monthly	238.00	Quarterly
Term loan 14 - ROI 4.50%	30-09-2025	Monthly	239.00	Quarterly
Term loan 15 - ROI 4.30%	30-12-2025	Monthly	395.00	Quarterly
Term loan 16 - ROI 4.50%	31-12-2025	Monthly	196.00	Quarterly
Term loan 17 - ROI 4.70%	31-12-2025	Monthly	366.67	Quarterly
Term loan 18 - ROI 4.70%	28-02-2026	Monthly	360.00	Quarterly
Term loan 19 - ROI 6.25%	30-06-2026	Monthly	1,071.00	Quarterly
Term loan 20 - ROI 7.05%	27-10-2026	Monthly	653.00	Quarterly
Term loan 21 - ROI 7.77%	29-12-2026	Monthly	383.50	Quarterly
Term loan 22 - ROI 7.88%	15-01-2027	Monthly	800.00	Quarterly
Term loan 23 - ROI 8.00%	29-03-2027	Monthly	400.00	Quarterly
Term loan 24 - ROI 8.05%	31-03-2027	Monthly	400.00	Quarterly

31 March 2022

Loan and ROI	Maturity date	Interest Payment Terms	Amount Outstanding as on 31 March 2022	Principal Repayment Terms
Term loan 1 - ROI 10.10%	30-11-2022	Monthly	82.50	Quarterly
Term loan 5 - ROI 7.70%	30-08-2022	Monthly	100.00	Quarterly
Term loan 7 - ROI 7.15%	13-11-2022	Monthly	43.64	Every 2nd Month
Term loan 8 - ROI 7.50%	31-12-2022	Monthly	54.00	Quarterly
Term loan 9 - ROI 7.55%	30-09-2022	Monthly	90.91	Quarterly
Term loan 9 - ROI 7.20%	31-03-2023	Monthly	233.33	Quarterly
Term loan 10 - ROI 6.30%	13-10-2024	Monthly	237.50	Quarterly
Term loan 11 - ROI 6.30%	07-10-2024	Monthly	600.00	Quarterly
Term loan 12 - ROI 6.20%	30-11-2024	Monthly	900.00	Quarterly
Term loan 12 - ROI 5.95%	31-12-2024	Monthly	975.00	Quarterly
Term loan 13 - ROI 5.75%	30-03-2025	Monthly	340.00	Quarterly
Term loan 14 - ROI 5.75%	28-02-2023	Monthly	100.00	Quarterly
Term Loan 15 - ROI 5.70%	30-04-2025	Monthly	210.00	Quarterly



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2023

Term Loan 16 - ROI 5.45%	31-05-2024	Monthly	324.44	Quarterly
Term Loan 17 - ROI 5.45%	31-05-2024	Monthly	405.56	Quarterly
Term Loan 18 - ROI 5.45%	14-06-2024	Monthly	413.00	Quarterly
Term Loan 19 - ROI 4.99%	25-06-2025	Monthly	751.75	Quarterly
Term Loan 20 - ROI 4.99%	30-06-2025	Monthly	751.75	Quarterly
Term Loan 21 - ROI 4.50%	30-09-2025	Monthly	826.00	Quarterly
Term Loan 22 - ROI 4.50%	30-09-2025	Monthly	412.00	Quarterly
Term Loan 23 - ROI 4.50%	30-09-2025	Monthly	413.00	Quarterly
Term Loan 24 - ROI 4.30%	30-12-2025	Monthly	639.00	Quarterly
Term Loan 25 - ROI 4.50%	31-12-2025	Monthly	300.00	Quarterly
Term Loan 26 - ROI 4.70%	31-12-2025	Monthly	500.00	Quarterly
Term Loan 27 - ROI 4.70%	28-02-2026	Monthly	500.00	Quarterly

Note 2 - The Company has taken unsecured short term working capital loans from banks at varying rate of interest ranging from 4.41% to 7.40% per annum (31 March 2022: 4.00% to 4.55% per annum).

Note 3 - The Company avails bank overdraft facility to manage its short term capital and is repayable on demand. The rate of interest during the year ranged from 5.00% to 7.25% per annum (31 March 2022: 5.10% to 5.65% per annum).

Note 4 - The Company has issued External Commercial Borrowings carrying an interest rate of 7.80% & 6.65% per annum payable on quarterly basis. The External Commercial Borrowings is repayable till 28 March 2024 in quarterly instalments starting from 30 October 2021.

Note 5 - The Company has obtained borrowing from banks and financial institutions and utilised them for the purpose for which they were obtained.

2.13 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Loan pending disbursement	638.47	347.61
Payable to employees	19.83	18.11
Interest-free security deposit received	0.24	0.24
Advance received from dealer	11.93	14.08
Lease liabilities	34.49	32.44
Total	704.96	412.48

2.14 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity*	13.80	13.19
Compensated absences	13.03	16.41
Total	26.83	29.60

* also refer note no. 2.29

2.15 Other non-financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues payable		
- Tax deducted at source payable	14.75	13.19
- Provident fund payable	1.85	1.85
- Labour welfare fund payable	0.02	0.01
- Goods and service tax payable (net off)	0.84	0.33
Total	17.46	15.38



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.16 Equity Share Capital

Details of Authorized, Issued, Subscribed and Paid up Share Capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of share	Amount	No of share	Amount
Authorized share Capital				
Equity Shares of Rs. 10/- each	397,200,000	3,972.00	397,200,000	3,972.00
	397,200,000	3,972.00	397,200,000	3,972.00
Issued, Subscribed and Paid up Capital				
Equity Shares of Rs. 10/- each	397,200,000	3,972.00	397,200,000	3,972.00
Total	397,200,000	3,972.00	397,200,000	3,972.00

(i) The reconciliation of equity shares outstanding at the beginning and at the end of the reporting period.

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	Amount	Number of Shares	Amount
Equity Share at the beginning of year	397,200,000	3,972.00	363,700,000	3,637.00
Add: Shares issued during the year	-	-	33,500,000	335.00
Equity Share at the end of year	397,200,000	3,972.00	397,200,000	3,972.00

(ii) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share

(iii) Shares held by holding Company

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% of holding	No. of shares	% of holding
CNH Industrial (India) Private Limited	397,200,000	100%	397,200,000	100%
	397,200,000	100%	397,200,000	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares. There is no change in percentage of share holding during the year.

(iv) Details of shares held by Promoters

As at 31 March 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
CNH Industrial (India) Private Limited	397,200,000	-	397,200,000	100%	0%

As at 31 March 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
CNH Industrial (India) Private Limited	363,700,000	33,500,000	397,200,000	100%	8%

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

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% of holding	No. of shares	% of holding
CNH Industrial (India) Private Limited (along with its nominee)	397,200,000	100%	397,200,000	100%
	397,200,000	100%	397,200,000	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2023

2.17 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
Retained earnings		
Opening balance	160.47	56.23
Add: Profit / (Loss) for the year	148.37	136.43
Add: Transferred from Other comprehensive income	1.59	1.70
Less: Transferred to Statutory Reserve	(29.67)	(33.89)
Balance at the end of the year (A)	280.76	160.47
Cash Flow hedge reserve		
Opening balance	(21.97)	(53.29)
Add: Transferred from Other comprehensive income	28.50	31.32
Balance at the end of the year (B)	6.53	(21.97)
Statutory Reserve		
Opening balance	61.14	27.25
Add: Addition during the year	29.67	33.89
Balance at the end of the year (C)	90.81	61.14
Total (A) + (B) + (C)	378.10	199.64

2.17 (i) Nature and purpose of reserve

Statutory reserve u/s 45-IC of RBI Act

Under Section 45-IC of the RBI Act, 1934, the Company is required to transfer sum not less than twenty percent of its net profit every year. Accordingly, the Company has transferred the above amount to the statutory reserve for the year ended 31 March 2023.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

Cashflow hedge reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.18 Interest income (on financial assets measured at amortised cost)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on loans	2,229.42	2,186.42
Interest on term deposits	11.54	3.79
Total	2,240.96	2,190.21

2.19 Fees Income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Fees and other charges income (including bounce charge income)	83.66	70.50
Total	83.66	70.50

2.20 Other Income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Business Support Services	12.13	18.02
Interest income on financial assets measured at fair value	0.71	0.02
Gain on derecognition of leases	0.05	0.25
Net gain on foreign currency transaction	-	0.30
Interest Income on Income tax refund	9.03	-
Liability no longer required written back	4.53	-
Total	26.45	18.59

2.21 Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on borrowings from banks (measured at amortised cost)		
- on term loans and working capital loans from banks	843.80	793.11
- on bonds	16.01	41.25
- on bank overdraft	4.58	4.48
Interest on lease liabilities	2.68	1.00
Bank charges	2.95	3.22
Other borrowing costs	12.23	7.28
Total	882.25	850.34

2.22 Impairment on financial instruments

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Impairment on financial instruments at amortised cost		
- Loans	123.17	558.70
Loss on sale of repossessed assets (including bad debts written off)	470.38	178.30
Total	593.55	737.00



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(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.23 Employee benefit expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	246.01	221.93
Contribution to provident and other funds	10.10	9.06
Gratuity and compensated absences (refer note 2.29)	2.88	3.68
Staff welfare expenses	4.19	2.83
Total	263.18	237.50

2.24 Depreciation and amortisation

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	0.49	0.95
Depreciation on right of use assets	8.46	8.80
Amortisation of intangible assets	7.65	11.18
Total	16.60	20.93

2.25 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Legal and Professional charges*	243.67	236.70
Repairs and maintenance	43.05	28.77
Travelling and conveyance	17.08	11.25
Rent	3.01	2.02
Rates and taxes	0.05	0.91
Business promotion and advertisement	2.22	1.15
Printing and stationery	5.24	5.45
Communication	4.61	2.56
Commission	12.79	8.83
Payment to auditors**	2.34	2.50
Corporate Social Responsibility (CSR)***	2.28	1.17
Impairment of intangible asset under development	-	1.49
Provision for doubtful debts (net)	1.89	2.17
Net loss on foreign currency transaction	1.28	-
Miscellaneous expenses	2.31	0.90
Total	341.82	305.87

*includes outsourced agency cost of Rs. 187.37 Millions (previous year Rs. 178.76 Millions)

****Payment to Auditors**

- Statutory audit	1.50	1.40
- Tax audit	0.15	0.10
- Other services	0.48	0.74
- reimbursement of expenses	0.01	0.02
- cost of goods and service tax	0.20	0.24
	2.34	2.50



CNH Industrial Capital (India) Private Limited
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***** Corporate Social Responsibility (CSR)**

Particulars	31-Mar-23	31-Mar-22
Amount required to be spent by the Company during the year	2.19	1.17
Amount of expenditure incurred	0.68	1.17
Shortfall at the end of the year	1.50	-
Total of previous years shortfall	-	-
Reason for shortfall	Company has already entered into an agreement with agency "Social Empowerment and Economic Development" for the CSR activities and is in the process of incurring the expenditure subsequent to the year	NA
Nature of CSR activities	Impart vocational trainings to empower youth under debt Recovery Agent Program	Financial Literacy for farmers agriculture and extension training program
Details of related party transactions in relation to CSR expenditure as per relevant Accounting	NA	NA

Movement in the Provision of Corporate Social Responsibility

Particulars		
Provision at the beginning of the year	-	-
Add: Additions during the year	2.28	1.17
Less: Utilisation during the year	0.68	1.17
Closing provision at the end of the year	1.60	-

2.26 Earning per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Following reflects the profit /(loss) and share data used in EPS computations:		
Basic		
Weighted average number of equity shares for computation of Basic EPS	397,200,000	384,901,370
Net (loss) / profit for calculation of basic EPS	148.37	136.43
Basic earning per share (In Rs.)	0.37	0.35
Diluted		
Weighted average number of equity shares for computation of Diluted EPS	397,200,000	384,901,370
Net (loss) / profit for calculation of Diluted EPS	148.37	136.43
Diluted earning per share (In Rs.)	0.37	0.35
Nominal value of equity shares (In Rs.)	10.00	10.00



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2.27: Derivative Financial Instruments

Part I	As at March 31, 2023			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Currency Derivatives:				
-Cross Currency Swaps	1,420.54	126.42	-	-
Total derivative financial instruments	1,420.54	126.42	-	-

Part II	As at March 31, 2023			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Included in above are derivatives held for hedging and risk				
Cash flow hedging:				
-Cross Currency Swaps	1,420.54	126.42	-	-
Total derivative financial instruments	1,420.54	126.42	-	-

Part I	As at March 31, 2022			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Currency Derivatives:				
-Cross Currency Swaps	-	-	1,991.18	31.73
Total derivative financial instruments	-	-	1,991.18	31.73

Part II	As at March 31, 2022			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Included in above are derivatives held for hedging and risk				
Cash flow hedging:				
-Cross Currency Swaps	-	-	1,991.18	31.73
Total derivative financial instruments	-	-	1,991.18	31.73

2.27.1: Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and foreign currency risk.

2.27.2: Derivatives designated as hedging instruments

(a) Cash flow hedges

The company uses Cross Currency Swap to hedge its risks associated with interest rate and foreign currency risk arising from External Commercial Borrowings.

The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve". Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Cross Currency Swaps match that of the external commercial borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross Currency Swap contracts are identical to the hedged risk components.

Particulars	As at March 31, 2023				
	Notional amounts	Carrying amount	Line item in the statement of financial position	Change in fair value	Cash flow hedge reserve as at March 31, 2023
The impact of Cash flow hedge (Net)	1,420.54	8.73	Derivative Financial Asset	38.08	6.53

Particulars	As at March 31, 2022				
	Notional amounts	Carrying amount	Line item in the statement of financial position	Change in fair value	Cash flow hedge reserve as at March 31, 2022
The impact of Cash flow hedge (Net)	1,991.18	(29.35)	Derivative Financial Liability	41.86	(21.97)



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.28 Related Party disclosures

A. Name of related party and relationship

1. Ultimate holding and Holding Company

CNH Industrial N.V. (Ultimate holding company)
 CNH Industrial (India) Private Limited (Holding company)

2. Subsidiary companies of ultimate holding Company (fellow subsidiaries)

Case New Holland Construction Equipment India (Private) Limited
 CNH Industrial Financial Services SA
 CODEFIS S.C.P.A.
 FCA I.T.E.M. S.P.A.
 IVECO Capital Solution S.P.A

3. Key management personnel

Amit Kakkar (Resigned from Managing Director w.e.f. 10 September 2021)
 Vishal Chaudhury (Managing Director w.e.f. 27 January 2022)
 Raunak Verma (Resigned from Director w.e.f. 31 January 2023)
 Narinder Mittal (Director w.e.f. 10 February 2023)
 Daniel James MCTAGGART (Director)
 Magneshwar Prasad Singh (Director)
 Inderjeet Mehta (Chief Financial Officer)
 Aakash Jain (Resigned from Company Secretary w.e.f. 26 October 2021)
 Rini Jangid (Company Secretary w.e.f. 15 February 2022)

4. Enterprises under significant influence of the key management personnel (with whom there were transactions during the year)

None

5. Relative of key management personnel (with whom transactions during the year)

None

B. The nature and volume of transactions carried out and outstanding balance with the above related parties in the ordinary course of business are as follows :

As at 31 March 2023

Name of related party	Nature of transactions	Period from 1 April 2022 to 31 March 2023			As at 31 March 2023
		Expense amount	Income amount	Others	Outstanding balance
CNH Industrial (India) Private Limited	Income from sub-lease of Building	-	2.52	-	-
	Reimbursement of expense	9.46	-	-	(2.12)
	Proceeds from issue of Share Capital	-	-	-	(3,972.00)
	Interest from Business Support Services	-	11.57	-	0.87
	Interest on loans / receivable**	-	348.48	-	37.22
Case New Holland Construction Equipment India (Private) Limited	Interest on loans / receivable**	-	105.45	-	18.08
	Legal and Professional charges	3.82	-	-	-
IC Financial Services S.A.	Legal and Professional charges	0.43	-	-	(0.63)
CNH Industrial Financial Services SA	Legal and Professional charges	3.63	-	-	(3.75)
IVECO Capital Solution SPA	Interest from Business Support Services	-	0.56	-	0.12
CODEFIS S.C.P.A.	Repairs and Maintenance	3.84	-	-	(0.90)
Remuneration paid to key managerial personnel (refer note c below)	Short term employee benefits	24.53	-	-	-

As at 31 March 2022

Name of related party	Nature of transactions	Period from 1 April 2021 to 31 March 2022			As at 31 March 2022
		Expense amount	Income amount	Others	Outstanding balance
CNH Industrial (India) Private Limited	Reimbursement of expense	13.23	-	-	(2.35)
	Proceeds from issue of Share Capital	-	-	335.00	(3,972.00)
	Interest from Business Support Services / Other receivable	-	18.02	-	2.16
	Interest on loans / receivable	-	273.53	-	27.39
	Case New Holland Construction Equipment India (Private) Limited	Interest on loans / receivable	-	83.04	-
CNH Industrial Financial Services SA	Legal and Professional charges	4.13	-	-	-
	Legal and Professional charges	0.13	-	-	(0.18)
IVECO Capital Solution SPA	Legal and Professional charges	0.19	-	-	(0.19)
CODEFIS S.C.P.A.	Repairs and Maintenance	2.20	-	-	(1.86)
Remuneration paid to key managerial personnel (refer note c below)	Short term employee benefits	17.99	-	-	-

Terms and Conditions of transactions with related parties:

- a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.
- b) For the year ended 31 March 2023 and 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.
- c) The remuneration to the key managerial personnel ('KMP') does not include the provisions made for gratuity and compensated absences as they are determined on an actuarial basis for the Company as a whole. Performance link incentive is included in KMP remuneration only when amount became due for payment on fulfilling certain conditions.

Note: Negative balance under column "Outstanding balance" above represents liability payable and positive balance represents assets recoverable.



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Notes forming part of financial statements for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.29 Employee benefits

Defined contribution plans:

Amount of Rs. 10.06 Millions (previous year Rs. 9.03 Millions) pertaining to employer's contribution to provident fund is recognised as an expense and included in "Contribution to provident funds" in note 2.23 to the financial statements.

Defined benefit plans (gratuity plan)

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to such limit as prescribed by The Payment of Gratuity Act, 1972 as amended from time to time. The Scheme is unfunded. The Company has also provided for long-term compensated absences which are unfunded.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for the gratuity plan:

(a) Changes in the present value of the defined benefit obligation (DBO) are as follows:	As at	As at
	31 March 2023	31 March 2022
Defined benefit obligation at the beginning of the year	13.19	11.64
Interest cost	0.95	0.79
Current service cost	3.63	3.41
Benefits paid	(1.86)	(0.38)
Actuarial (gain)/ loss on obligations	(2.12)	(2.27)
Defined benefit obligation at the end of the year	13.79	13.19
(b) Amount recognised in Statement of Profit and Loss:	For the year ended	For the year ended
	31 March 2023	31 March 2022
Current service cost	3.63	3.41
Interest cost	0.95	0.79
Amount recognised in Statement of Profit and Loss	4.58	4.20
(c) Amount recognised in Other Comprehensive Income:	For the year ended	For the year ended
	31 March 2023	31 March 2022
Actuarial (gain)/loss	(2.12)	(2.27)
Amount recognised in Other Comprehensive Income	(2.12)	(2.27)
(d) Change in Net Defined Benefit Obligation:	As at	As at
	31 March 2023	31 March 2022
Total Service Cost	3.63	3.41
Interest cost	0.95	0.79
Actuarial (gain)/loss	(2.12)	(2.27)
Benefits paid	(1.86)	(0.38)
Total	0.60	1.55
(e) The assumptions used in determining gratuity liability for the Company's plans are shown below:	As at	As at
	31 March 2023	31 March 2022
Discount rate	7.36%	7.18%
Future salary Increase	8%	8%
Withdrawal rate		
Up to 30 years	3%	3%
From 31 to 44 years	2%	2%
From 44 years	1%	1%
Retirement Age	60	60
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)

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

The average duration of the defined benefit plan obligation at the end of the reporting period is 17.45 years (previous year: 17.22 years).

(f) A quantitative sensitivity analysis for significant assumption:	As at	As at
	31 March 2023	31 March 2022
Assumptions		
Increase in discount rate of 0.50%	(0.96)	(0.95)
Decrease in discount rate of 0.50%	1.05	1.04
Increase in future salary of 0.50%	1.04	1.03
Decrease in future salary of 0.50%	(0.96)	(0.95)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Expected contribution for the next Annual reporting period

As at	As at
31 March 2023	31 March 2022
Service Cost	4.52
Net Interest Cost	1.02
Expected expense for the next annual reporting period	5.54

Experience adjustments for the reported years are as below:

As at	As at
31 March 2023	31 March 2022
Change in demographic assumptions	-
Change in financials assumptions	(0.35)
Experience adjustments on plan liabilities	(1.77)

Compensated absences:

The Company has provided for compensatory leaves (including sick leave) as per policy of the Company using the Projected Unit Credit Method on the basis of an actuarial valuation. The Company has accordingly booked Rs. (1.70) Millions (previous year Rs. (0.57) Millions) in the Statement of Profit and Loss.



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2.30 Leases

Company as a lessee

Company enters into operating lease arrangements for leasing offices and vehicles for its employees. The Company also has certain lease for low value items like laptops. The Company applies the low value exemptions for these leases.

The Life of ROU assets is as follows :

Asset Class	Period
Buildings	1-5 years
Motor vehicles	1-4 years

The Company has entered into cancellable operating lease arrangements primarily for rental buildings and Vehicles. The leases are generally renewable on the expiry of lease period subject to mutual agreement.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Buildings	Vehicles	Total
At 1 April 2021	4.36	7.11	11.47
Additions	24.17	2.64	26.81
Disposals in existing contracts (net)	(0.14)	(2.86)	(3.00)
Depreciation expense	(4.80)	(4.00)	(8.80)
At 1 April 2022	23.59	2.89	26.48
Additions	0.28	10.77	11.05
Disposals in existing contracts (net)	(0.19)	(0.02)	(0.21)
Depreciation expense	(5.07)	(3.39)	(8.46)
At 31 March 2023	18.61	10.25	28.86

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Particulars	As at	As at
	31 March 2023	31 March 2022
Opening balance	32.44	11.39
Additions	11.05	32.76
Disposal	(0.26)	(2.89)
Accretion of interest	2.68	1.00
Payments	(11.42)	(9.82)
Closing balance	34.49	32.44
Current	12.18	8.59
Non-current	22.31	23.85
Total	34.49	32.44

The effective interest rate for lease liabilities is between 6.5% to 7.5%, with maturity in 2026-27.

Set out below are the carrying amounts of lease receivables and the movements during the period:

Particulars	As at	As at
	31 March 2023	31 March 2022
Opening balance	6.91	-
Additions	-	6.91
Disposal	-	-
Accretion of interest	0.49	-
Collection	(1.66)	-
Closing balance	5.74	6.91
Current	1.55	1.22
Non-current	4.19	5.69
Total	5.74	6.91

The following are the amounts recognised in statement of profit or loss:

Particulars	As at	As at
	31 March 2023	31 March 2022
Depreciation charge for right-of-use assets		
- Building	5.07	4.80
- Vehicles	3.39	4.00
Interest expense on lease liabilities	2.68	1.00
Interest income on lease receivables	(0.49)	-
Loss/(Gain) on derecognition of leases	(0.05)	(0.25)
Expense relating to short-term leases	3.01	2.02
Total amount recognised in statement of profit or loss	13.61	11.57



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2.31 Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given as follow :

Particulars	31-Mar-23	31-Mar-22
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount due to micro and small enterprises	0.48	0.58
- Interest on the principal amount due	Nil	Nil
The amount of interest paid by the buyer in terms of section 18 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
- Payments made to suppliers beyond the appointed date	Nil	Nil
- Interest on the principal amount	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company.		

2.32 Operating Segments

The company operates in a single business segment i.e. financing, which are similar risks and returns for the purpose of IND AS 108 on "Operating segment" notified under the companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic.

2.33 Unhedged foreign currency

Particulars of foreign currency exposure as at the reporting date

Particulars	As at 31 March 2023		As at 31 March 2022	
	Amount in foreign currency	Amount in Rs.	Amount in foreign currency	Amount in Rs.
Other payable - Euro	0.06	5.28	0.03	2.23
Other receivable - Euro	0.00	0.12	-	-

The Company does not entered in to any foreign exchange forward contracts during the year.

2.34 Fair Value

Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly/ indirectly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair Value of financial instruments which are not measured at Fair Value:

Valuation methodologies of financial instruments not measured at fair value:

Loans - The fair value of fixed rate loans are determined by discounting expected future contractual cash flows using current market interest rates charged to similar categories of new loans. The fair value of floating rate loans are deemed to be equivalent to the carrying value.

Borrowings - The fair value of certain fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans. The fair value of floating rate borrowings are deemed to be equivalent to the carrying value.

For Derivatives - Cross Currency swaps held for the purpose of hedging foreign currency denominated external commercial borrowings are accounted as cash flow hedge. These swaps are considered under Level 2 for fair valuation. All future cashflows in the swap contract are discounted to present value using the forward rates and accordingly arrived at the valuation for a point of time.

Particulars	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
At fair value through OCI				
Derivative Asset				
- Interest rate swap	-	8.73	-	8.73
At fair value through Profit and Loss				
Derivative Asset				
- Currency swap	-	117.69	-	117.69
Total	-	126.42	-	126.42

Particulars	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
At fair value through OCI				
Derivative Liability				
- Interest rate swap	-	29.35	-	29.35
At fair value through Profit and Loss				
Derivative Liability				
- Currency swap	-	2.38	-	2.38
Total	-	31.73	-	31.73

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data. There were no transfers between levels during the year.

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximations of fair values.



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2.35 Maturity analysis of assets and liabilities as at 31 March 2023

Particulars	Within 12 months	After 12 months	Total
Assets			
Financial assets			
a) Cash and cash equivalents	566.60	-	566.60
b) Derivative financial instruments	126.42	-	126.42
c) Receivables			
i) Trade receivables	55.30	-	55.30
ii) Other receivables	0.99	-	0.99
d) Loans	10,560.38	7,037.88	17,598.26
e) Other Financial assets	1.55	7.48	9.03
Non-financial assets			
a) Non Current tax assets (net)	-	148.00	148.00
b) Deferred tax assets (net)	-	434.89	434.89
c) Property, plant and equipment	-	29.21	29.21
d) Intangible assets under development	-	-	-
e) Other Intangible assets	-	38.05	38.05
f) Other non-financial assets	56.69	0.17	56.86
Total Assets	11,367.93	7,695.68	19,063.61
Liabilities			
Financial liabilities			
a) Derivative financial instruments	-	-	-
b) Payables			
i) Other Payables			
- Total outstanding dues of micro enterprises and small enterprises	0.48	-	0.48
- Total dues of creditors other than micro enterprises and small enterprises	92.57	-	92.57
c) Debt securities	-	-	-
d) Borrowings (Other than Debt Securities)	8,995.09	4,876.12	13,871.21
e) Other financial liabilities	682.40	22.56	704.96
Non-financial liabilities			
a) Provisions	0.76	26.07	26.83
b) Other non-financial liabilities	17.46	-	17.46
Total Liabilities	9,788.76	4,924.75	14,713.51



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2.35 Maturity analysis of assets and liabilities as at 31 March 2022

Particulars	Within 12 months	After 12 months	Total
Assets			
Financial assets			
a) Cash and cash equivalents	600.81	-	600.81
b) Receivables			
i) Trade receivables	40.13	-	40.13
ii) Other receivables	2.16	-	2.16
c) Loans	9,955.46	7,896.61	17,852.07
d) Other Financial assets	1.22	8.76	9.98
Non-financial assets			
a) Non Current tax assets (net)	-	193.13	193.13
b) Deferred tax assets (net)	-	457.40	457.40
c) Property, plant and equipment	-	27.25	27.25
d) Intangible assets under development	-	-	-
e) Other Intangible assets	-	4.89	4.89
f) Other non-financial assets	44.18	0.42	44.60
Total Assets	10,643.96	8,588.46	19,232.42
Liabilities			
Financial liabilities			
a) Derivative financial instruments	-	31.73	31.73
b) Payables			
i) Other Payables			
- Total outstanding dues of micro enterprises and small enterprises	0.58	-	0.58
- Total dues of creditors other than micro enterprises and small enterprises	87.09	0.21	87.30
c) Debt securities	315.00	-	315.00
d) Borrowings (Other than Debt Securities)	7,153.82	7,014.89	14,168.71
e) Other financial liabilities	388.63	23.85	412.48
Non-financial liabilities			
a) Provisions	0.55	29.05	29.60
b) Other non-financial liabilities	15.38	-	15.38
Total Liabilities	7,961.05	7,099.73	15,060.78



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2.36 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company net of intangible assets.

The Company's objectives when managing capital are to:

- safeguard its ability to continue as going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- actively manage capital base to cover the risks inherent in the business and is meeting the capital adequacy requirements of the Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI. The Company has complied in full with all its externally imposed capital requirements over the reported period.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors and market's confidence and to sustain future development of the business. The Board of Directors ensure that the Company complies with externally imposed capital requirements and maintains strong credit rating and healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain and adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholder or issue capital securities. No changes have been made to the objectives from previous years. However they are under constant review by the Board.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

Particulars	As at 31 March	As at 31 March
	2023	2022
Debts	13,871.21	14,515.44
Net Worth	4,350.10	4,171.64
Debt to Net Worth (in times)	3.19	3.48

2.36 (i) Regulatory Capital

Common equity Tier 1 (CET1) capital, which includes ordinary share capital, retained earnings and reserves after adjustment of dividend declared and deduction for intangibles assets and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy purposes.

Tier 2 capital, includes preference share, qualifying as subordinated liabilities and provision for expected credit loss on stage 1 assets.

	As at 31 March	As at 31 March
	2023	2022
Tier 1 Capital		
Equity share capital	3,972.00	3,972.00
Free Reserves	371.57	221.61
Deductions:		
-Intangibles assets	(38.05)	(4.89)
-Deferred tax	(466.71)	(450.01)
-Prepaid expenses	(13.95)	(16.35)
	3,824.86	3,722.36
Tier 2 Capital		
Provision for expected credit loss on stage 1 assets	225.47	227.56
Total Regulatory Capital	4,050.33	3,949.91
Risk weighted assets	18,037.81	18,204.83
Capital to Risk weighted asset ratio (CRAR) (%)	22.45%	21.70%
CRAR Tier 1 Capital (%)	21.20%	20.45%
CRAR Tier 2 Capital (%)	1.25%	1.25%
Liquidity Coverage ratio	NA	NA

2.36 (ii) Analytical Ratios

Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for variance (if above 25%)
Capital to Risk weighted asset ratio (CRAR) (%)	4,050.33	18,037.81	22.45%	21.70%	0.76%	NA
CRAR Tier 1 Capital (%)	3,824.86	18,037.81	21.20%	20.45%	0.76%	NA
CRAR Tier 2 Capital (%)	225.47	18,037.81	1.25%	1.25%	0.00%	NA
Liquidity Coverage ratio	NA	NA	NA	NA	NA	NA

2.36 (iii) Capital allocation

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on regulatory capital requirements, but in some cases the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken by the management and is subject to review by the Company Asset and Liability Management Committee (ALCO).

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic activities. The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.



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2.37 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations. On the other hand company's Principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Company's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, technical and legal verifications and conservative loan to value. The major types of risk Company face in businesses are liquidity risk, market risk and credit risk related to our financing activities.

Liquidity risk

Liquidity risk refers to the risk that the Company can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. The unavailability of adequate amount of funds at optimum cost and co-terminus tenure to repay the financial liabilities and further growth of business resultantly may face an Asset Liability Management (ALM) mismatch caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding of an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Note No.	Carrying value	Less than 1 year	1 to 5 years	> 5 years	Total
Year ended 31 March 2023						
Other payable	2.10	93.05	92.14	0.91	-	93.05
Borrowings (Other than debt securities)	2.12	13,871.21	8,995.09	4,876.12	-	13,871.21
Other financial liabilities	2.13	704.96	682.40	22.56	-	704.96
		14,669.22	9,769.63	4,899.59	-	14,669.22
Year ended 31 March 2022						
Other payable	2.10	87.88	87.67	0.21	-	87.88
Debt Securities	2.11	315.00	315.00	-	-	315.00
Borrowings (Other than debt securities)	2.12	14,168.71	7,153.82	7,014.89	-	14,168.71
Derivative financial instruments	2.27	31.73	-	31.73	-	31.73
Other financial liabilities	2.13	412.48	388.63	23.85	-	412.48
		15,015.80	7,945.12	7,070.68	-	15,015.80

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company's exposure to market risk is described below:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises from the need to fund financial operating activities and the necessity to deploy surplus funds. The Company borrows and lends at fixed rate of interest. Thus, the Company is not exposed to Interest Rate Risk.

Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate mortgages when interest rates fall. The Company charges prepayment penalty on prepayment of loan from customer to cover the financial loss arising early payment by the customer.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the external commercial borrowings. The Company manages its currency risks by entering into derivative contracts as hedge positions for the full tenure of the external commercial borrowings. The Company's exposure of foreign currency risk at the end of the reporting period expressed in INR is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
	INR	INR
Hedged		
ECB		1,988.80
Derivative*	1,420.54	1,991.18

* represents the notional amount of the derivative financial instrument.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loan assets.

Credit risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to higher NPAs. Company address credit risks by using a set of credit norms and policies, which are approved by Board and backed by analytics and technology. Company has implemented a structured and standardized credit approval process, including customer selection criteria, comprehensive credit risk assessment and cash flow analysis, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. Actual credit exposures, credit limits and asset quality are regularly monitored and analysed at various levels. Company has created a robust credit assessment and underwriting practice that enables to fairly price credit risks.



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The following table provides information about the exposure to credit risk and expected credit loss for loan assets and cash and cash equivalents:

1) Loan assets

Particulars	Gross carrying amount	Weighted average loss rate	Loan allowance	Whether credit impaired	-
As at 31 March 2023					
Stage 1	15,725.74	1.96%	308.10	No	
Stage 2	1,360.60	2.65%	36.11	No	
Stage 3	2,118.83	59.59%	1,262.70	Yes	
	19,205.17		1,606.91		
As at 31 March 2022					
Stage 1	15,449.43	1.63%	251.66	No	
Stage 2	1,887.19	3.11%	58.72	No	
Stage 3	1,999.19	58.69%	1,173.36	Yes	
	19,335.81		1,483.74		

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Analysis of risk concentration

The Company's concentrations of risks are managed by client/counterparty based on Loan to Value (LTV) segregation.

The following table stratify the Loan-to-Value ratio at the time of origination of loans for the outstanding loans at the respective year end, which has been calculated by taking the finance amount to fair value of collateral at the time of origination of loans:

As at 31 March 2023

Retail Loans

LTV Ratio	Stage 1	Stage 2	Stage 3	Total
Less than 50%	898.47	9.04	38.45	945.96
51-90%	9,656.84	612.45	1,629.46	11,898.75
91-100%	872.37	2.59	29.09	904.05
Total	11,427.68	624.08	1,697.00	13,748.76

Commercial Finance

LTV Ratio	Stage 1	Stage 2	Stage 3	Total
91-100%	4,298.06	736.52	421.83	5,456.41
Total	4,298.06	736.52	421.83	5,456.41

As at 31 March 2022

Retail Loans

LTV Ratio	Stage 1	Stage 2	Stage 3	Total
Less than 50%	988.53	18.32	30.59	1,037.44
51-90%	10,036.23	1,361.99	1,530.91	12,929.13
91-100%	662.06	26.68	6.82	695.56
Total	11,686.82	1,406.99	1,568.32	14,662.13

Commercial Finance

LTV Ratio	Stage 1	Stage 2	Stage 3	Total
91-100%	3,762.61	480.20	430.87	4,673.68
Total	3,762.61	480.20	430.87	4,673.68

Change in gross carrying value of loan assets consists of the following:

Retail Loans

Loan Assets	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 April 2021	12,306.84	863.73	796.74	13,967.31
New financial assets acquired / originated	6,035.08	-	-	6,035.08
Transfer to Stage 1	210.28	(144.40)	(65.88)	-
Transfer to Stage 2	(1,252.72)	1,276.78	(24.06)	(0.00)
Transfer to Stage 3	(960.68)	(473.37)	1,434.05	-
Assets derecognised or repaid	(4,651.98)	(115.75)	(572.53)	(5,340.26)
Balance as at 31 March 2022	11,686.82	1,406.99	1,568.32	14,662.13
New financial assets acquired / originated	5,962.52	-	-	5,962.52
Transfer to Stage 1	347.49	(254.88)	(92.61)	-
Transfer to Stage 2	(468.58)	508.99	(40.41)	-
Transfer to Stage 3	(798.19)	(677.00)	1,475.19	0.00
Assets derecognised or repaid	(5,302.38)	(360.02)	(1,213.49)	(6,875.89)
Balance as at 31 March 2023	11,427.68	624.08	1,697.00	13,748.76



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Commercial Finance

Loan Assets	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 April 2021	3,708.90	276.88	380.70	4,366.48
New financial assets acquired / originated	21,053.76			21,053.76
Transfer to Stage 1	205.04	(122.14)	(82.90)	(0.00)
Transfer to Stage 2	(441.76)	441.76	-	0.00
Transfer to Stage 3	(403.00)	(137.49)	540.49	(0.00)
Assets derecognised or repaid	(20,360.33)	21.20	(407.42)	(20,746.55)
Balance as at 31 March 2022	3,762.61	480.21	430.87	4,673.69
New financial assets acquired / originated	28,697.94			28,697.94
Transfer to Stage 1	122.43	(67.06)	(55.37)	-
Transfer to Stage 2	(430.15)	479.73	(49.58)	-
Transfer to Stage 3	(217.14)	(198.27)	415.41	-
Assets derecognised or repaid	(27,637.63)	41.91	(319.50)	(27,915.22)
Balance as at 31 March 2023	4,298.06	736.52	421.83	5,456.41

Change in expected credit loss on loan assets consists of the following:

Retail Loans

Loan Assets	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 April 2021	223.30	47.38	439.68	710.37
New financial assets acquired / originated	113.76	-	-	113.76
Transfer to Stage 1	37.12	(7.26)	(29.86)	-
Transfer to Stage 2	(29.01)	40.67	(11.66)	-
Transfer to Stage 3	(21.99)	(29.52)	51.52	-
Assets derecognised or repaid	(103.71)	3.36	571.12	470.76
Balance as at 31 March 2022	219.45	54.63	1,020.81	1,294.89
New financial assets acquired / originated	138.08	-	-	138.08
Transfer to Stage 1	49.98	(9.64)	(40.34)	-
Transfer to Stage 2	(11.78)	30.49	(18.71)	-
Transfer to Stage 3	(49.06)	(26.56)	75.60	(0.00)
Assets derecognised or repaid	(75.47)	(19.09)	85.82	(8.76)
Balance as at 31 March 2023	271.20	29.83	1,123.18	1,424.21

Commercial Finance

Loan Assets	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 April 2021	31.71	2.36	180.60	214.67
New financial assets acquired / originated	178.97	-	-	178.97
Transfer to Stage 1	9.98	(1.04)	(8.94)	-
Transfer to Stage 2	(3.77)	3.77	-	-
Transfer to Stage 3	(3.44)	(1.17)	4.61	-
Assets derecognised or repaid	(181.24)	0.18	(23.72)	(204.78)
Balance as at 31 March 2022	32.21	4.10	152.55	188.86
New financial assets acquired / originated	243.93	-	-	243.93
Transfer to Stage 1	14.69	(0.57)	(14.12)	-
Transfer to Stage 2	(3.68)	10.62	(6.94)	-
Transfer to Stage 3	(2.60)	(1.69)	4.29	-
Assets derecognised or repaid	(247.65)	(6.18)	3.74	(250.09)
Balance as at 31 March 2023	36.90	6.28	139.52	182.70

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.38 Summary of Financial assets and liabilities which are recognised at amortised cost

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets		
Cash and cash equivalents	566.60	600.81
Trade receivables	55.30	40.13
Other receivables	0.99	2.16
Loans	17,598.26	17,852.07
Other financial assets	9.03	9.98
Total Financial assets	18,230.18	18,505.15
Financial liabilities		
Payables	93.05	87.88
Debt securities	-	315.00
Borrowings (Other than Debt Securities)	13,871.21	14,168.71
Other financial liabilities	704.96	412.48
Total Financial liabilities	14,669.22	14,984.07

2.39 There is no contingent liability as on 31 March 2023 except for one claim against the Company not acknowledged as debt amounting to Rs. 0.01 Millions (net of deposit paid amounting to Rs. 0.01 Millions) and 31 March 2022.

2.40 There is no capital commitment as on 31 March 2023 and 31 March 2022.

2.41 Additional information pursuant to Ministry of Corporate Affairs notification dated March 24, 2021 with respect to amendments in Schedule III or Companies Act, 2013

(i) There are no proceedings which have been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The company is not a wilful defaulter as declared by any bank or financial Institution or any other lender.

(iii) The company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(iv) There are no charges or Satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(v) There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or surveyor any other relevant provisions of the Income Tax Act, 1961).

(vi) The company has not traded or invested in Crypto Currency or Virtual Currency during the year.

(vii) Utilisation of borrowed funds

The Company, as part of its normal business, grants loans and advances to its customers, other entities and persons. These transactions are part of Company's normal finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate beneficiaries). The Company has also not received any fund from any parties (Funding party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or Jointly with any other person that are:

(a) Repayable on demand; or

(b) without specifying any terms or period of repayment

(ix) Since, the Company does not have any immovable property, clause related to title deeds of property not held in the company's own name is not applicable.

(x) The Company has not invested with number of layers of Companies during FY 2022-23, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

2.42 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

2.43 The disclosures required in terms of Paragraph 18 of Master Direction Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 given in Annexure A forming part of these financial statements.



CNH Industrial Capital (India) Private Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.44 (a) The disclosures as required by the NBFC Master Directions issued by RBI are as follows:

i. Capital funds, risk assets/ exposure and risk asset ratio (CRAR)

	Year ended 31 March 2023	Year ended 31 March 2022
(i) CRAR (%)	22.45%	21.70%
(ii) CRAR - Tier I capital (%)	21.20%	20.45%
(iii) CRAR - Tier II capital (%)	1.25%	1.25%
(iv) Amount of subordinated debt raised as Tier-II capital	-	-
(v) Amount raised by issue of perpetual Debt instruments	-	-

CRAR as at 31 March 2023 (P.Y. 31 March 2022) has been determined in accordance with the RBI Master Directions read with RBI notification RBI/2019-20/170,DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian Accounting Standards.

ii The Company has not made any investments during the year ended 31 March 2023 and 31 March 2022.

iii Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and foreign currency risk.

Derivatives designated as hedging instruments

Cash flow hedges

The company uses Cross Currency Swap to hedge its risks associated with interest rate and foreign currency risk arising from External Commercial Borrowings.

The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve". Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Cross Currency Swaps match that of the external commercial borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross Currency Swap contracts are identical to the hedged risk components.

Cross Currency Swap Agreement

Particulars	As at 31 March 2023	As at 31 March 2022
The notional principal of swap agreements	1,420.54	1,991.18
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
Collateral required by the applicable NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	-	-
The fair value of the swap book	1,538.90	1,988.80

Exchange traded interest rate derivatives

The Company has not traded in exchange traded interest rate derivative during the current and previous year.

Disclosures on risk exposure in derivatives

Qualitative disclosure

The company uses Cross Currency Swap to hedge its risks associated with interest rate and foreign currency risk arising from External Commercial Borrowings. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve". Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. There is an economic relationship between the hedged item and the hedging instrument as the terms of the Cross Currency Swaps match that of the external commercial borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross Currency Swap contracts are identical to the hedged risk components.



CNH Industrial Capital (India) Private Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

Quantitative disclosure

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	1,420.54	-
(ii) Marked to Market Positions		
(a) Assets	117.69	8.73
(b) Liability	-	-
(ii) Credit Exposure	-	-
(ii) Unhedged Exposures	-	-

iv Securitisation and assignment

- a) There are no securitisation and assignment transaction entered into by the Company during the year ended 31 March 2023 and 31 March 2022.
b) There is no sale of financial asset to securitisation / reconstruction company for asset reconstruction during the year ended 31 March 2023 and 31 March 2022.
c) There has been no purchase/ sale of non performing financial assets made by the Company during the year ended 31 March 2023 and 31 March 2022.

v There is no exposure to real state sector by the Company during the year ended 31 March 2023 and 31 March 2022.

vi There is no exposure to capital market during the year ended 31 March 2023 and 31 March 2022.

vii Financing of parent company products

The Company is a non-banking financing Company engaged in the business of wholesale and retail lending of agricultural, commercial equipments etc. manufactured by its parent company.

viii Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL)

The Company has not exceeded the prudential exposure limits during the year ended 31 March 2023 and 31 March 2022.

ix Unsecured advances

- a) The Company has not provided any unsecured advances as at 31 March 2023 and 31 March 2022 to the borrowers.
b) There has been no collateral by the way of rights, licenses, authorisations etc, against which the loan has been advanced as at 31 March 2023 and 31 March 2022.

x The Company does not have registration with any other financial sector regulator.

xi Disclosure of penalties imposed by RBI and other regulators

There has been no penalty imposed by RBI and other regulators during the financial year ended 31 March 2023 and 31 March 2022.

xii Detail of ratings assigned by credit rating agencies and migration of ratings during the year

Name of the rating agency	Year ended 31 March 2023	Year ended 31 March 2022
CRISIL Limited (Commercial Paper)	Crisil A1+	Crisil A1+
India Ratings and Research (Ind-Ra) (Commercial Paper)	IND A1+	NA

xiii There is no prior period item which has an impact on current year's profit. Further, there is no change in accounting policies during the current year and the same is as per the requirement of Ind AS.

xiv Revenue recognition

There were no instances where revenue recognition has been postponed pending the resolution of significant uncertainties during the year ended 31 March 2023 and 31 March 2022.

xv Provisions and contingencies

Particulars	(Amount in Rs. Crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Break up of 'Provisions and contingencies' shown under the head expenditure in Statement of Profit and Loss		
Impairment of financial instrument at amortised cost		
- Loans and other financial assets	12.32	55.87
Provision for doubtful debts (net)	0.19	0.22
Provision made towards Income tax*	10.53	(0.88)

*net of deferred tax credit and tax adjustment for earlier years

xvi Related party transactions

Refer note 2.28 of financial statements for related party transactions disclosure. The Company did not have any transaction during the current year and previous year with non-executive directors.

xvii Drawdown from reserves

There has been no draw down from reserves during the financial year ended 31 March 2023 and 31 March 2022.



CNH Industrial Capital (India) Private Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

xviii Asset liability management maturity pattern of certain items of assets and liabilities

Particulars	(Amount in Rs. Crores)										
	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 Year	Over 1 Year and upto 3 Years	Over 3 Years and upto 5 Years @	Over 5 Years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances*	35.91	7.48	31.70	86.50	208.89	410.92	264.26	558.61	178.97	11.00	1,794.24
	(34.56)	(8.51)	(38.45)	(82.00)	(181.24)	(368.20)	(270.10)	(646.89)	(176.98)	(9.68)	(1,816.61)
Investments	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Borrowings	-	-	108.98	225.96	99.15	148.95	316.48	371.88	115.72	-	1,387.12
	-	-	(63.88)	(97.54)	(94.24)	(191.39)	(299.84)	(674.80)	(26.70)	-	(1,448.39)
Foreign currency assets\$	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign currency liabilities \$	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

(previous year figures is shown in bracket)

*Advances comprise loan receivable after netting off of deferred operating income / expenses and impairment provision for Stage 3

\$ excludes assets/liabilities not related to financing activities

@ Stage 3 loans have been classified under the bucket of over 3 years and upto 5 years.



CNH Industrial Capital (India) Private Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

xix Concentration of Advances*

(Amount in Rs. Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
Total advances to twenty largest borrowers	154.47	147.40
Percentage of advances to twenty largest borrowers to total advances of the NBFC	7.92%	7.49%

*Advances represents loan receivables (excludes the netting off of deferred operating income / expenses)

xx Concentration of Exposures*

(Amount in Rs. Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
Total exposure to twenty largest borrowers/customers	154.47	147.40
Percentage of exposures to twenty largest borrowers/customers to total exposures of the NBFC on borrowers / customers	7.92%	7.49%

*Exposures represents loan receivables (excludes the netting off of deferred operating income / expenses)

xxi Concentration of NPAs

(Amount in Rs. Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
Total exposure* to top four NPA accounts	9.94	7.93

*exposure above comprises of loan receivables (excludes the netting off of deferred operating income / expenses)

xxii Sector-wise NPAs

(Amount in Rs. Crores)

Sector	Percentage of NPAs to total advances in that sector	
	As at 31 March 2023	As at 31 March 2022
1. Agriculture & allied activities	-	-
2. MSME	-	-
3. Corporate borrowers	-	-
4. Services	-	-
5. Unsecured personal loans	-	-
6. Auto loans*	11.03%	10.34%
7. Other personal loans	-	-

Note: Advances comprise loan receivable

* wholesale and retail lending of agricultural and commercial equipments (including to corporate borrowers) is also included here.

xxiii Movement of NPAs

(Amount in Rs. Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Net NPAs to Net Advances (%)	4.77%	4.54%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	199.92	117.75
(b) Additions during the year	136.26	142.69
(c) Reductions during the year	(124.30)	(60.53)
(d) Closing balance	211.88	199.92
(iii) Movement of net NPAs		
(a) Opening balance	82.59	55.73
(b) Additions during the year	53.42	71.51
(c) Reductions during the year	(50.40)	(44.65)
(d) Closing balance	85.61	82.59
(iv) Movement of provisions for NPAs		
(a) Opening balance	117.33	62.02
(b) Additions during the year	82.84	71.19
(c) Write off / Write back of excess provisions	(73.90)	(15.88)
(d) Closing balance	126.27	117.33

Note: Net advances comprise loan receivable reduced by Impairment on loan receivables on Stage 3. Further, the above movement is for Stage 3 loans.



CNH Industrial Capital (India) Private Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

- xxiv **Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)**
The Company does not have any overseas assets.
- xxv **Off-balance Sheet SPVs sponsored**
There were no off-balance sheet SPVs sponsored by the Company during the year ended 31 March 2023 and 31 March 2022.
- xxvi **Disclosure of complaints**
There were no complaints received by the Company during the year ended 31 March 2023 and 31 March 2022.
- xxvii **Disclosure of value of imports on CIF basis**
The Company has not imported any goods therefore value of imports on CIF basis is Nil. (As on 31 March 2022 - Nil).

2.44 (b) Disclosures as required for liquidity risk

i	Funding concentration based on significant counterparty* (both borrowings and deposits)	(Amount in Rs. Crores)	
	Particulars	As at 31 March 2023	As at 31 March 2022
	Number of significant counterparties	9	10
	Amount	1,387.12	1,448.37
	Percentage of funding concentration to total deposits	NA	NA
	Percentage of funding concentration to total liabilities	94.28%	96.17%
	<small>*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR. NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies.</small>		
ii	Top 20 large deposits	(Amount in Rs. Crores)	
	Particulars	As at 31 March 2023	As at 31 March 2022
	Total amount of top 20 deposits	NA	NA
	Percentage of amount of top 20 deposits to total deposits	NA	NA
iii	Top 10 borrowings	(Amount in Rs. Crores)	
	Particulars	As at 31 March 2023	As at 31 March 2022
	Total amount of top 10 borrowings	1,387.12	1,448.37
	Percentage of amount of top 10 borrowings to total borrowings	100.0%	100.0%
iv	Funding concentration based on significant instrument / product*	(Amount in Rs. Crores)	
	Particulars	As at 31 March 2023	Percentage of total liabilities
	Bond	-	0.00%
	External Commercial Borrowing (ECB)	155.63	10.58%
	Loan from banks	1,231.50	83.70%
	Particulars	As at 31 March 2022	Percentage of total liabilities
	Bond	31.50	2.09%
	External Commercial Borrowing (ECB)	201.27	13.36%
	Loan from banks	1,215.60	80.71%
	<small>*Significant instrument / product is as defined in RBI Circular RBI/2019-20/88 DOR. NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies.</small>		
v	Stock ratio	(Amount in Rs. Crores)	
	Particulars	As at 31 March 2023	As at 31 March 2022
	Commercial paper as a percentage of total public funds*	NA	NA
	Commercial paper as a percentage of total liabilities	NA	NA
	Commercial paper as a percentage of total assets	NA	NA
	Other short term liabilities** as a percentage of total public funds	27.26%	16.75%
	Other short term liabilities as a percentage of total liabilities	25.70%	16.10%
	Other short term liabilities as a percentage of total assets	19.83%	12.61%
	Non convertible debentures as a percentage of total public funds	NA	NA
	Non convertible debentures as a percentage of total liabilities	NA	NA
	Non convertible debentures as a percentage of total assets	NA	NA

* Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016, as amended from time to time.

**Other short term liabilities includes Working capital loans from banks, Bank overdraft, other non-financial liabilities and other financial liabilities (excluding lease liabilities and Interest free security deposits).

vi **Institutional set up for liquidity risk management**

Refer note no. 2.36 of financial statements



CNH Industrial Capital (India) Private Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.45 Asset Classification as per RBI Norms

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5	6	7
Performing Assets						
Standard	Stage 1	15,725.74	308.10	15,417.64	62.90	245.20
	Stage 2	1,360.60	36.12	1,324.48	5.44	30.68
Subtotal for standard		17,086.34	344.22	16,742.12	68.34	275.88
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,745.90	909.39	836.51	174.59	734.80
Doubtful - up to 1 year	Stage 3	306.28	292.10	14.18	61.26	230.84
1 to 3 years	Stage 3	66.65	61.20	5.45	20.00	41.20
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		372.93	353.30	19.63	81.26	272.04
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		2,118.83	1,262.69	856.14	255.85	1,006.84
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	15,725.74	308.10	15,417.64	62.90	245.20
	Stage 2	1,360.60	36.12	1,324.48	5.44	30.68
	Stage 3	2,118.83	1,262.69	856.14	255.85	1,006.84
	Total	19,205.17	1,606.91	17,598.26	324.19	1,282.72

2.46 Disclosures as required by the RBI Notification no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22 October 2021

i) Corporate governance report containing composition and category of directors, shareholding of non-executive directors, etc.: Refer details below

Name of Directors / KPM	DIN	Designation	Date of Appointment
Vishal Chaudhury	09463209	Managing Director	27 January 2022
Daniel James McTaggart	07926746	Director	23 October 2017
Narinder Mittal	07382202	Director	10 February 2023
Magneshwar Prasad Singh	08241412	Director	26 June 2019

ii) Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications:
No non-compliance. The Company has not incurred any default in compliance to the provisions of Companies Act, 2013 read with accounting and Secretarial

iii) Details on the Items of income and expenditure of exceptional nature: No exceptional items

iv) Breach of covenant: There is no instance of breach of covenant on the borrowings and debt securities.

v) Divergence in asset classification and provisioning above a certain threshold to be decided by the Reserve Bank: No, there was no significant divergence in asset classification and provisioning.



CNH Industrial Capital (India) Private Limited
Annexure A (forming part of the financial statements)
Notes for the year ended 31 March 2023

(All amounts are in Rupees Millions except share data and unless otherwise stated)

(i) Funding concentration based on significant counterparty

Information as required under Appendix 1 of RBI Circular "RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated 4 November 2019" paragraph 18 of the RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are as follows:

S.No.	Particulars	(Amount in Rs. Lakhs)			
		As at 31 March 2023		As at 31 March 2022	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities side:				
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
	(a) Debentures:				
	-Secured	-	-	-	-
	-Unsecured*	-	-	3,150	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred credits	-	-	-	-
	(c) Term loans	123,043	-	118,233	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial paper	-	-	-	-
	(f) Public deposits	-	-	-	-
	(g) Other loans (please specify)	-	-	-	-
	-External Commercial Borrowings	15,389	-	19,888	-
	-Bank overdraft	-	-	3,230	-
	-Interest accrued on borrowings (including debt securities)	281	-	336	-
	* represents bonds				
2	Asset side:			Amount outstanding	
				As at 31 March 2023	As at 31 March 2022
	Break-up of loans and advances including bills receivables (other than those included in (3) below)*:				
	(a) Secured			192,052	193,358
	(b) Unsecured			-	-
3	Break-up of leased assets and stock on hire and other assets counting towards AFC activities			As at 31 March 2023	As at 31 March 2022
	(i) Lease assets including lease rentals under sundry debtors:				
	(a) Financial lease			-	-
	(b) Operating lease			-	-
	(ii) Stock on hire including hire charges under sundry debtors:				
	(a) Assets on hire			-	-
	(b) Repossessed assets			-	-
	(iii) Other loans counting towards AFC activities:				
	(a) Loans where assets have been repossessed			-	-
	(b) Loans other than (a) above			-	-
4	Break-up of investments			As at 31 March 2023	As at 31 March 2022
	Current investments:				
	I. Quoted:				
	(i) Shares:				
	(a) Equity			-	-
	(b) Preference			-	-
	(ii) Debentures and bonds			-	-
	(iii) Units of mutual funds			-	-
	(iv) Government securities			-	-
	(v) Others (please specify)			-	-



CNH Industrial Capital (India) Private Limited
Annexure A (forming part of the financial statements)
Notes for the year ended 31 March 2023
(All amounts are in Rupees Millions except share data and unless otherwise stated)

Break-up of investments		As at	
		31 March 2023	31 March 2022
2. Unquoted:			
(i) Shares:		-	-
(a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government securities		-	-
(v) Others (please specify)		-	-
Long term investments:			
1. Quoted:			
(i) Shares:		-	-
(a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government securities		-	-
(v) Others (please specify)		-	-
2. Unquoted:			
(i) Shares:		-	-
(a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government securities		-	-
(v) Others (please specify)		-	-
5	Borrower group wise classification of assets financed as in (2) and (3) above* :	As at 31 March 2023	
		Secured	Unsecured
	Category		
	1 Related Parties:		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2 Other than related parties	192.052	-
	Total	192.052	-
		As at 31 March 2022	
		Secured	Unsecured
		-	-
		193.358	-
		193.358	-
	* Gross of expected credit loss provision on loans		
6	Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	As at 31 March 2023	
		Market value/ Break-up or Fair value or NAV	Book value (net of provision)
	Category		
	1 Related Parties:		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2 Other than related parties	-	-
	Total	-	-
		As at 31 March 2022	
		Market value/ Break-up or Fair value or NAV	Book value (net of provision)
		-	-
		-	-
		-	-
		-	-
		-	-
7	Other information	As at	
		31 March 2023	31 March 2022
	(i) Gross Non-Performing Assets*		
	(a) Related parties	-	-
	(b) Other than related parties	21,188	19,991
	(ii) Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	8,561	8,259
	(iii) Assets acquired in satisfaction of debts	-	-
	*Gross non performing assets represents loans classified as Stage 3 loans.		
	*Net non performing assets represents Gross Non Performing assets less net off expected credit loss provision thereon.		



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CNH INDUSTRIAL CAPITAL (INDIA) PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **CNH INDUSTRIAL CAPITAL (INDIA) PRIVATE LIMITED** ("the Company"), which comprise the Balance sheet as at March 31, 2024, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity and the Statement of cash flows for the year ended on that date and notes to the financial statements, including a summary of material accounting policies and other explanatory information.(hereinafter referred to as ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with the governance.



Responsibility of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or



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conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) and also that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on a daily basis.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



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- e) On the basis of the written representations received from the directors as on 31 March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 2(i)(vi) below on reporting under rule 11(g) of the rules.
- g) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2024.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. Refer Note 2.39 to the Financial Statements.
 - ii. The company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
 - iv.
 - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year ended March 31, 2024.



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- vi. Based on our examination which included test checks, the Company has used accounting software and loan management software for maintaining its books of account which has feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at database level and certain master table fields for the accounting software and certain parameters of audit trail were not captured for loan management software. Further, the edit logs for accounting software has not been maintained on servers physically located in India. Refer note XXX to the accompanying financial statements.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, wherein the audit trail functionality was enabled.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, thus reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.”

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Reg. No: 000736N/N500441



Vijay Kumar
Partner
Membership No. 092671
UDIN: 240926718KFBPU6703

Place: New Delhi
Date: 26/06/2024

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of CNH INDUSTRIAL CAPITAL (INDIA) PRIVATE LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. The Property, Plant & Equipment and right to use assets have been physically verified by the management according to programme of periodical verification in a phased manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its Assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification of assets due for physical verification in the current year.
 - c. Based on the information and explanation given to us, the Company does not have any immovable Property, hence reporting under clause 3(i) (c) of the order is not applicable.
 - d. According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
 - e. According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company's business does not involve inventories and hence reporting under clause 3(ii) (a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii) (b) of the Order is not applicable.
- iii. According to the information and explanation given to us and based on our examination of records, the Company has made investments in companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
 - (a) Reporting under clause 3(iii) (a) of the Order is not applicable as the Company is a Non-Banking Financial Company.



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- (b) In our opinion, the terms and conditions of the grant of all loans provided, during the year are, prima facie, not prejudicial to the Company's interest. Company has not made investment or provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per stipulation. Since, the Company is a NBFC whose principal business is to give loans and considering the significant volume of transactions with number of borrowers furnishing the number of cases of default is practically not feasible.
- (d) In respect of loans granted by the Company, the details of total amount overdue above 90 days are as follows:

(Amount in Rs. million)

Type of Loan	Count of Cases	Principal Overdue	Interest Overdue	Total Overdue
Retail	2721	281.89	68.84	350.73
Wholesale	92	160.46	27.40	187.86
Total	2,813	442.35	96.24	538.59

Based on the information & explanations given to us, reasonable steps have been taken by the company for recovery of principal & interest.

- (e) Reporting under clause 3(iii) (e) of the Order is not applicable as the Company is a Non-Banking Financial Company.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence the reporting under clause 3(iii) (f) is not applicable.
- iv. According to the information and explanations given to us, the Company has not given any loan or guarantee or made any investments or provided any security covered under section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Income Tax, Sales Tax, Service Tax, duty of Custom, Cess and other material statutory dues applicable to it with the appropriate authorities.



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There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income Tax, Sales Tax, Service Tax, duty of Custom, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- b. There is no statutory dues referred to in sub clause (a) above which have not been deposited as on March 31, 2024 on account of disputes.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) Based on the information and explanations obtained by us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.
- (d) According to the information and explanation given to us and based on our examination of records, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanation given to us and based on our examination of records, the company does not have any subsidiary or joint venture or associates and hence, reporting under clause 3(ix) (e) of the Order is not applicable.
- (f) According to the information and explanation given to us and based on our examination of records, the company does not have any subsidiary or joint venture or associates and hence, reporting under clause 3(ix) (f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.
- (b) According to the information and explanation given to us and based on our examination of records, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) According to the information and explanation given to us and based on our examination of records, no material fraud by the company or on the company has been noticed or reported during the period covered by our audit except management has reported, as mentioned in Note 2.47, few instances of misappropriation of cash collected from customers and other forms of embezzlement of



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cash by the employees involving amount aggregating to INR 0.39 million. The Company has terminated services of such employees and also initiated legal action against them.

(b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle-blower complaints received by the company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.

xiv. (a) According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports covering period till June 30, 2023 in determining the nature, timing and extent of our audit procedures. As informed to us, the internal audit report for the remaining part of the year is under progress as on the date of this report and accordingly has not been considered by us.

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

xvi. (a) The Company was required to be registered under Section 45IA of the Reserve Bank of India Act, 1934 as a NBFC and has obtained the certificate vide no. N-14.03413 dated April 02, 2018.

(b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi) (c) of the Order is not applicable.

(d) According to the information and explanations given to us and based on our examination of the records, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.



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- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) (a) of the Order is not applicable for the year.
- (b) As per information and explanations given to us, the company has transferred unspent amounts pursuant to ongoing projects with respect to CSR to a special account as per sub-section (6) of section 135 of the said Act.

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm Reg. No: 000736N/N500441




Vijay Kumar
Partner
Membership No. 092671
UDIN: 24092671 BKFBPUG703

Place: New Delhi
Date: 26/06/2024

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“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of CNH INDUSTRIAL CAPITAL (INDIA) PRIVATE LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’ of our Independent Auditor’s Report

We have audited the internal financial controls with reference to financial statement of **CNH INDUSTRIAL CAPITAL (INDIA) PRIVATE LIMITED** (“the Company”) as of March 31, 2024 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to Ind AS financial statements.



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Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S S Kothari Mehta & Co. LLP**

Chartered Accountants

Firm Reg. No: 000736N/N500441




Vijay Kumar

Partner

Membership No. 092671

UDIN: 24092671 BKF8PV6703

Place: New Delhi

Date: 26/06/2024

CNH Industrial Capital (India) Private Limited
Balance Sheet as at 31 March 2024

(All amounts are in Rupees Millions except share data and unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Financial assets			
a) Cash and cash equivalents	2.1	901.76	566.60
b) Derivative financial instruments	2.27	-	126.42
c) Receivables			
i) Trade receivables	2.2	45.20	55.30
ii) Other receivables	2.3	16.32	0.99
d) Loans	2.4	17,152.23	17,598.26
e) Other Financial assets	2.5	8.19	9.03
Non-financial assets			
a) Non Current tax assets (net)	2.6 (a)	148.00	148.00
b) Deferred tax assets (net)	2.7	364.84	434.89
c) Property, plant and equipment	2.8 (a)	36.45	29.21
d) Other Intangible assets	2.8 (b)	23.32	38.05
e) Other non-financial assets	2.9	67.88	56.86
Total Assets		18,764.19	19,063.61
Liabilities and Equity			
Financial liabilities			
a) Payables			
i) Other Payables			
- Total outstanding dues of micro enterprises and small enterprises	2.10	0.01	0.48
- Total dues of creditors other than micro enterprises and small	2.10	78.80	92.57
b) Debt securities	2.11	1,474.61	-
c) Borrowings (Other than Debt Securities)	2.12	11,466.98	13,871.21
d) Other financial liabilities	2.13	732.82	704.96
Non-financial liabilities			
a) Current tax liabilities (net)	2.6 (b)	43.89	-
b) Provisions	2.14	30.10	26.83
c) Other non-financial liabilities	2.15	11.28	17.46
Equity			
a) Equity share capital	2.16	3,972.00	3,972.00
b) Other equity	2.17	953.70	378.10
Total Liabilities and Equity		18,764.19	19,063.61
Summary of significant accounting policies		1	

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S S Kothari Mehta & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 000756N/N500441


per Vijay Kumar
Partner
Membership No. 092671

Place: New Delhi
Date: 26 June 2024



For and on behalf of the Board of Directors of
CNH Industrial Capital (India) Private Limited


Vishal Chaudhury
Managing Director
DIN No.: 09463209

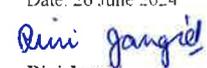
Place: Gurugram
Date: 26 June 2024


Indrajit Mehta
Chief Financial Officer

Place: Gurugram
Date: 26 June 2024


Pankaj Gupta
Additional Director
DIN No.: 10432477

Place: Gurugram
Date: 26 June 2024


Rini Jangid
Company Secretary
Membership No. 24877

Place: Gurugram
Date: 26 June 2024



CNH Industrial Capital (India) Private Limited
Statement of profit and loss for the year ended 31 March 2024
(All amounts are in Rupees Millions except share data and unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operations			
Interest income	2.18	2,323.12	2,240.96
Fee income	2.19	88.58	83.66
Total Revenue from operations		2,411.70	2,324.62
Other Income	2.20	17.59	26.45
Total Income (I)		2,429.29	2,351.07
Expenses			
Finance costs	2.21	885.13	879.30
Impairment on financial instruments	2.22	160.35	593.55
Employee benefits expense	2.23	268.42	263.18
Depreciation and amortisation	2.24	28.75	16.60
Other expenses	2.25	306.82	344.77
Total expenses (II)		1,649.47	2,097.40
Profit before tax (III)=(I)-(II)		779.82	253.67
Tax expenses:			
Current Income tax		124.84	50.81
Prior year Income tax		-	42.10
Deferred tax		72.40	12.39
Total tax expenses (IV)		197.24	105.30
Profit after tax (III)-(IV)		582.58	148.37
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
i) Re-measurement (loss)/gain on defined benefit plans		(0.60)	2.12
ii) Income tax impact on items that will not be reclassified to profit or loss		0.15	(0.53)
b) Items that will reclassified to profit or loss			
i) Fair value gain on derivative Financial Instruments		(8.73)	38.08
ii) Income tax impact on items that will not be reclassified to profit or loss		2.20	(9.58)
Total Other comprehensive income for the year (net of tax)		(6.98)	30.09
Total Comprehensive income for the year		575.60	178.46
Earnings per equity share	2.26		
Basic (Rs.)		1.47	0.37
Diluted (Rs.)		1.47	0.37
Nominal value per share (Rs.)		10.00	10.00
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements
As per our report of even date

For S S Kothari Mehta & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 000756N/N500441

per Vijay Kumar
Partner
Membership No. 092671

Place: New Delhi
Date: 26 June 2024



For and on behalf of the Board of Directors of
CNH Industrial Capital (India) Private Limited

Vishal Chaudhury
Managing Director
DIN No.: 09463209

Place: Gurugram
Date: 26 June 2024

Inderjeet Mehta
Chief Financial Officer

Place: Gurugram
Date: 26 June 2024

Pankaj Gupta
Additional Director
DIN No.: 10432477

Place: Gurugram
Date: 26 June 2024

Rini Jangid
Company Secretary
Membership No. 24058

Place: Gurugram
Date: 26 June 2024



CNH Industrial Capital (India) Private Limited
Cash flow statement for the year ended 31 March 2024
(All amounts are in Rupees Millions except share data and unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A Cash flow from operating activities:		
Net profit before tax	779.82	253.67
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	28.75	16.60
Interest on lease liabilities	3.41	2.68
Unrealised exchange (gain)/loss or foreign currency transactions	(0.23)	1.14
Provision for employee benefits	2.67	(0.65)
Liabilities no longer required written back	-	(4.53)
Provision for doubtful debts	-	1.89
Provision no longer required written back	(1.34)	-
Loss on sale of repo units and write-off	523.64	470.38
Gain on derecognition of lease liability	(0.04)	(0.05)
Impairment loss on financial instruments	(363.29)	123.17
Interest income on financial assets measured at fair value	(0.64)	(0.71)
Operating profit before working capital changes	972.75	863.59
Changes in working capital		
Decrease/ (Increase) in trade receivables	10.10	(15.17)
(Increase)/ Decrease in other receivables	(15.33)	1.17
Decrease/ (Increase) in loans	285.68	(339.74)
(Increase) in other financial assets	(0.18)	(0.00)
(Increase) in other non-financial assets	(9.69)	(14.15)
(Decrease)/ Increase in other payables	(14.24)	4.78
Increase in other financial liabilities	20.87	294.97
(Decrease)/ Increase in other non-financial liabilities	(6.18)	2.09
Cash flow from / (used in) operating activities	1,243.78	797.54
Less: Income tax paid	(80.94)	(47.78)
Net cash flow from / (used in) operating activities (A)	1,162.84	749.76
B Cash flow from investing activities:		
Purchase of Property plant and equipment and intangible assets	-	(40.88)
Principal receipts under sublease	1.67	1.66
Net cash used in investing activities (B)	1.67	(39.22)
C Cash flow from financing activities:		
Lease liability paid	(14.34)	(8.74)
Interest paid on lease liability	(3.41)	(2.68)
Proceeds from borrowings	20,388.96	7,077.29
Repayment of borrowings	(21,200.56)	(7,487.63)
Net Cash (used in) / flow from financing activities (C)	(829.35)	(421.76)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	335.16	288.78
Cash and cash equivalents as at the beginning of the year	566.60	277.82
Cash and cash equivalents at the end of the year	901.76	566.60
Components of cash and cash equivalents		
Cash on hand	5.83	8.98
Balance with banks		
In current accounts	70.74	213.47
In Deposits with original maturity of less than three months	825.19	344.15
Total cash and cash equivalents (notes 2.1)	901.76	566.60
Summary of significant accounting policies	I	

The above Statement of Cash Flows has been prepared under the indirect method as set out in IND AS 7 "Statement of Cash Flows".

As per our report of even date

For S S Kothari Mehta & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 000756N/N500441

per Vijay Kumar
Partner
Membership No. 092671

Place: New Delhi
Date: 26 June 2024



For and on behalf of the Board of Directors of
CNH Industrial Capital (India) Private Limited

Vishal Chaudhury
Managing Director
DIN No. 09463209

Place: Gurugram
Date: 26 June 2024

Indrajeet Mehta
Chief Financial Officer

Place: Gurugram
Date: 26 June 2024

Pankaj Gupta
Additional Director
DIN No. 10432477

Place: Gurugram
Date: 26 June 2024

Rini Jangid
Company Secretary
Membership No. 24910

Place: Gurugram
Date: 26 June 2024



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2024
(All amounts are in Rupees Millions except share data and unless otherwise stated)

A. Corporate information

CNH Industrial Capital (India) Private Limited ("the Company") was incorporated on 23 October 2017, as a private limited Company and is set up to carry on the business of wholesale and retail lending of agricultural, commercial equipment's etc.

The Company is a wholly owned subsidiary of CNH Industrial (India) Private Limited. The Company has received the Certificate of Registration no. N-14.03413 dated 2 April 2018 from the Reserve Bank of India (the 'RBI') to carry on the business of Non-Banking Financial Institution without acceptance of public deposit.

B. Basis of preparation of financial statements

a) Statement of compliance in preparation of financial statements

- (i) These financial statements for the year ended 31 March 2024 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standard) Rules, 2015 (as amended from time to time) notified under section 133 of the Companies Act 2013 (the "Act") and other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended time to time ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

b) Basis of measurement

The financial statements have been prepared on the accrual basis as a going concern and under the historical cost convention, except for certain financial assets and liabilities that are measured at fair value as explained in relevant accounting policies.

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ("NBFCs") that are required to comply with Ind AS. The Statement of Cash flows has been presented as per the requirements of Ind AS Statement of Cash Flows.

c) Presentation of financial statements

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

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

d) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

e) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Judgements, assumptions and estimation uncertainties

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have a significant impact on the carrying amount of assets and liabilities at each balance sheet date:

Business model assessment - Classification of financial assets: Assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

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

Fair Value of Financial Instruments

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



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2024
(All amounts are in Rupees Millions except share data and unless otherwise stated)

Fair Value of Financial Instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is carried out in establishing fair values. Judgements and estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Impairment of financial instruments : Determining inputs into the ECL measurement model, including incorporation of forward looking information including key assumptions used in estimating recoverable cash flows.

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different level of allowances. The company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns Probability of Defaults (PD) to the individual grades;
 - The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time ECL ('LTECL') basis and the qualitative assessment;
 - The segmentation of financial assets when their ECL is assessed on a collective basis;
 - Development of ECL models, including the various formulas and the choice of inputs;
 - Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral levels, and the effect on PD, Exposure at Defaults (EAD) and Loss Given Defaults (LGD);
 - Selection of forward looking macroeconomics scenarios and their probability weightings, to derive the economic inputs into the ECL models.
- It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments; as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Measurement of defined benefit obligations: Key actuarial assumptions

The measurement of obligations related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal, mortality rates etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.

Recognition of deferred tax assets

The Company has recognized deferred tax assets/ (liabilities) and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time.

Recognition and measurement of provisions and contingencies

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in statutory litigation in the ordinary course of the Company's business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

f) Measurement of fair value

The Company's accounting policies and disclosures require/ may require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into the different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company measures financial instruments, such as, loans, at fair value at each reporting date.



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2024
(All amounts are in Rupees Millions except share data and unless otherwise stated)

1 Summary of material accounting policies

1.1 Revenue recognition

(i) Interest income, for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as "Stage 3", the company recognises interest income on receipt basis.

(ii) Foreclosure charges, penal interest on delayed payments and other dues in respect of loans are recognized on receipt basis.

(iii) Interest income from fixed deposit: Revenue from interest on bank deposits are recognised on accrual basis.

1.2 Property, plant and equipment (PPE), Intangible assets, Depreciation and amortisation

PPE

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Depreciation and amortisation

Depreciation and amortisation of PPE and Intangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management has estimated the following lives to provide depreciation and amortisation of its property, plant and equipment and intangible assets.

Assets	Useful lives estimated by the management (years)
Computers	3 years
Furniture and fixtures	10 years
Software	3-5 years

Depreciation on additions is being provided on pro rata basis from the date of such additions. Similarly, depreciation on assets sold / disposed off during the year is being provided up to the dates on which such assets are sold / disposed off. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

The useful lives as mentioned above are reviewed by the management at each reporting date and revised, if appropriate. In case of a revision, the unamortised depreciable / amortisable amount is charged over the revised remaining useful life.

1.3 Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1.4 Foreign currency translation

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Income and expenses in foreign currencies are initially recorded by the Company at the exchange rates prevailing on the date of the transaction.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2024
(All amounts are in Rupees Millions except share data and unless otherwise stated)

1.5 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company provides gratuity benefits which is a defined benefit scheme. The cost of providing gratuity benefits is determined on the basis of actuarial valuation at each year end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absence as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes.

1.6 Leases

The Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where the Company is lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 1.3 Impairment of non-financial assets.

ii) Lease liability

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii) Short term lease

The Company applies the short-term lease recognition exemption to its short term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as and when due.

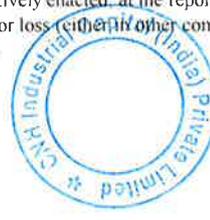
1.7 Taxes

Tax expense comprises current and deferred tax.

Current Income tax

Current Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current Income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in contribution to the underlying transaction either in OCI or directly in equity.



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Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.8 Provision and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the Statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date. Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.9.1 Financial Assets

1.9.1.1 Initial recognition and measurement

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed to the customers. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

1.9.1.2 Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

1.9.1.3 Debt instruments at amortised costs

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

1.9.1.4 Debt instruments at FVOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

1.9.1.5 Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

1.9.1.6 Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading, classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.



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1.9.2 Financial Liabilities

1.9.2.1 Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

1.9.2.2 Classification and Subsequent measurement - Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

1.9.2.3 Classification and Subsequent measurement - Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

1.9.3 Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

1.9.4 De recognition of financial assets and liabilities

1.9.4.1 Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition.

The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

Or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.9.4.2 Financial Liabilities

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

1.10 Impairment of financial assets

Impairment of financial instruments:

The Company applies the ECL model in accordance with Ind AS 109 for recognising impairment loss on financial assets. The ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial asset ("lifetime ECL"), unless there has been no significant increase in credit risks since origination, in which case the allowance is based on the 12-month ECL. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.



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ECL is calculated on individual / collective basis, considering the nature of the underlying portfolio of financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. When determining whether the risk of default on a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without cost or effort. This includes both quantitative and qualitative information and analysis based on a provision matrix which takes into account the Company's historical credit loss experience, current economic conditions, forward looking information and scenario analysis.

The expected credit loss is a product of exposure at default ('EAD'), probability of default ('PD') and loss given default ('LGD'). The Company has devised an internal model to evaluate the PD and LGD based on the parameters set out in Ind AS 109. Accordingly, the financial assets have been segmented into three stages based on the risk profiles. The three stages reflects the general pattern of credit deterioration of a financial assets.

The Company categories financial assets at the reporting date into stages based on the following criteria:

- Stage 1: These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e. exposures with no overdues) and exposure upto 30 days overdues fall under this category. In accordance with Ind AS 109, the Company measures ECL on such assets over next 12 months.
- Stage 2: Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposures exceed for a period more than 30 days. Accordingly, the Company classifies all exposures with overdues exceeding 30 days at each reporting date under this stage. The Company measures lifetime ECL on Stage 2 loans.
- Stage 3: All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure. Interest on such contracts is calculated by applying the effective interest rate to the amortised cost (net of impairment allowance) instead of the gross carrying amount and recognised on receipt basis. The method is similar to Stage 2 assets, with the probability of default set at 100%.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The calculation of ECLs:

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

- PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD - The Exposure at Default is an exposure at a default date. The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

- Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.
- Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Forward looking information:

The Company incorporates forward looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

Write Offs:

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to Statement of profit and loss account.



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2.1 Cash and bank balance

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
Cash on hand	5.83	8.98
Balance with banks		
In Current accounts	70.74	213.47
In Deposits with original maturity of less than three months	825.19	344.15
Total	901.76	566.60

2.2 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured and considered good*	45.20	55.30
Total	45.20	55.30

*refer note no. 2.28 for related parties

Trade receivable ageing schedule

Particulars	Outstanding for following periods from due date of payment		
	As at 31 March 2024		
	Not Due	Less than 6 months	Total
Undisputed Trade receivables – considered good	41.00	4.20	45.20

Particulars	Outstanding for following periods from due date of payment		
	As at 31 March 2023		
	Not Due	Less than 6 months	Total
Undisputed Trade receivables – considered good	40.52	14.78	55.30

2.3 Other receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured and considered good*	16.32	0.99
Total	16.32	0.99

*refer note no. 2.28 for related parties

Other receivable ageing schedule

Particulars	Outstanding for following periods from due date of payment		
	As at 31 March 2024		
	Not Due	Less than 6 months	Total
Undisputed Other receivables – considered good	16.32	-	16.32

Particulars	Outstanding for following periods from due date of payment		
	As at 31 March 2023		
	Not Due	Less than 6 months	Total
Undisputed Other receivables – considered good	0.12	0.87	0.99



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2.4 Loans (measured at amortised cost)

Particulars	As at 31 March 2024	As at 31 March 2023
(A)		
Retail loans and commercial finance	18,395.85	19,205.17
Total (A) Gross	18,395.85	19,205.17
Less: Impairment loss allowance	(1,243.62)	(1,606.91)
Total (A) Net	17,152.23	17,598.26
(B)		
(i) Secured by tangible assets	17,017.85	17,860.08
(ii) Covered by bank guarantees	-	-
(iii) Secured and covered by both - tangible assets and bank guarantees	1,378.00	1,345.09
(iv) Unsecured	-	-
Total (B) Gross	18,395.85	19,205.17
Less: Impairment loss allowance	(1,243.62)	(1,606.91)
Total (B) Net	17,152.23	17,598.26
(C) Loans in India		
(i) Public sector	-	-
(ii) Others	18,395.85	19,205.17
Total (C) Gross	18,395.85	19,205.17
Less: Impairment loss allowance	(1,243.62)	(1,606.91)
Total (C) Net	17,152.23	17,598.26

2.5 Other financial assets (measured at amortised cost)

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits measured at amortised cost (considered good)	3.52	3.29
Interest accrued on fixed deposits	0.18	0.00
Lease receivables	4.49	5.74
Total	8.19	9.03

2.6 (a) Non Current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance tax and tax deducted at source	148.00	148.00
Total	148.00	148.00

2.6 (b) Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax liabilities	43.89	-
Total	43.89	-

The major components of income tax expense for the years ended 31 March 2024 and 31 March 2023 are:

(A) Amount recognised in the Statement of profit and loss:	For the year ended 31 March 2024	For the year ended 31 March 2023
Income tax expense:		
Current year tax expense	124.84	50.81
Adjustments in respect of current income tax of previous year	-	42.10
Deferred tax charge	72.40	12.39
Tax expense reported in the statement of profit or loss	197.24	105.30
(B) Income tax recognised in Other comprehensive income:	For the year ended 31 March 2024	For the year ended 31 March 2023
Deferred tax (credit)/charge related to items recognised in OCI during in the year:		
-on remeasurements of defined benefit plans	(0.15)	0.53
-on cash flow hedges	(2.20)	9.58
Income tax charged to OCI	(2.35)	10.11



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(C) **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	779.82	253.67
Adjustments:		
Deferred tax relating to earlier year	-	(4.61)
Prior year tax expense	-	167.29
Effect of expenses/ provisions not deductible in determine taxable profit	4.17	2.06
Adjusted profit (a)	783.99	418.41
Current year tax expense	124.84	50.81
Prior year tax expense	-	42.10
Deferred tax	72.40	12.39
Adjusted tax (b)	197.24	105.30
Applicable tax rate (b/a)	25.17%	25.17%

2.7 Deferred tax:

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets		
- On Impairment loss allowance	285.13	376.57
- On provision for gratuity and compensated absences - Other than OCI	8.58	7.90
- On provision for bonus and incentive	2.33	3.98
- On Excess Written Down Value between Companies Act and Income tax Act	0.40	0.86
- On lease liability	10.44	8.68
- On Others	69.21	78.53
Deferred tax liability		
- On fair value loss on derivative financial instruments - OCI	-	2.20
- On fair value loss on derivative financial instruments - Other than OCI	-	29.62
- On Re-measurement gain on defined benefit plans - OCI	1.00	1.10
- On right of use asset and lease receivable	10.25	8.71
Total	364.84	434.89

Movement of deferred tax assets/ liabilities presented in Balance Sheet:

31 March 2024	As at the beginning of the year	Charge to profit and loss	Charge to Other Comprehensive Income	As at the end of the year
Deferred tax assets				
- On Impairment loss allowance	376.57	(91.44)	-	285.13
- On provision for gratuity and compensated absences	7.90	0.68	-	8.58
- On provision for bonus and incentive	3.98	(1.65)	-	2.33
- On Excess Written Down Value of property, plant and equipment between Companies Act and Income tax Act	0.86	(0.46)	-	0.40
- On lease liability	8.68	1.76	-	10.44
- On Others	78.53	(9.37)	-	69.16
- On fair value loss on derivative financial instruments - OCI	(2.20)	-	2.20	-
- On fair value loss on derivative financial instruments - other than OCI	(29.62)	29.62	-	-
- On Re-measurement gain on defined benefit plans - OCI	(1.10)	-	0.15	(0.95)
- On right of use asset and lease receivable	(8.71)	(1.54)	-	(10.25)
Total	434.89	(72.40)	2.35	364.84



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Movement of deferred tax assets/ liabilities presented in Balance Sheet:

31 March 2023	As at the beginning of the year	Charge to profit and loss	Charge to Other Comprehensive Income	As at the end of the year
Deferred tax assets				
- On preliminary expenses	0.04	(0.04)	-	-
- On Impairment loss allowance	349.04	27.53	-	376.57
- On provision for gratuity and compensated absences	8.07	(0.17)	-	7.90
- On provision for bonus and incentive	3.29	0.69	-	3.98
- On Excess Written Down Value of property, plant and equipment between Companies Act and Income tax Act	2.39	(1.53)	-	0.86
- On lease liability	8.16	0.52	-	8.68
- On Others	88.00	(9.47)	-	78.53
- On fair value loss on derivative financial instruments - OCI	7.38	-	(9.58)	(2.20)
- On fair value loss on derivative financial instruments - other than OCI	-	(29.62)	-	(29.62)
- On Re-measurement gain on defined benefit plans - OCI	(0.57)	-	(0.53)	(1.10)
- On right of use asset and lease receivable	(8.40)	(0.31)	-	(8.71)
Total	457.40	(12.40)	(10.11)	434.89



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Notes forming part of financial statements for the year ended 31 March 2024
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.8 (a) Property, plant and equipment

Particulars	Computers	Furnitures and fixtures	Right of use Building*	Right of use Vehicles*	Total
Cost					
At 1 April 2022	4.90	0.22	24.17	7.53	36.82
Additions	-	0.07	0.28	10.77	11.12
Disposals	(2.75)	-	(0.51)	(2.44)	(5.70)
At 31 March 2023	2.15	0.29	23.94	15.86	42.24
Additions	-	-	0.30	22.82	23.12
Disposals	-	-	(0.28)	(6.58)	(6.86)
At 31 March 2024	2.15	0.29	23.96	32.10	58.50
Depreciation and amortisation					
At 1 April 2022	4.28	0.07	0.58	4.64	9.57
Additions	0.47	0.02	5.07	3.39	8.95
Disposals	(2.75)	-	(0.32)	(2.42)	(5.49)
At 31 March 2023	2.00	0.09	5.33	5.61	13.03
Additions	0.11	0.03	5.04	8.84	14.02
Disposals	-	-	(0.28)	(4.72)	(5.00)
At 31 March 2024	2.11	0.12	10.09	9.73	22.05
Net block					
At 31 March 2023	0.15	0.20	18.61	10.25	29.21
At 31 March 2024	0.04	0.17	13.87	22.37	36.45

*also refer to note 2.30



CNH Industrial Capital (India) Private Limited
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(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.8 (b) Intangible assets

Particulars	Software	Total
Cost		
At 1 April 2022	96.79	96.79
Additions	40.81	40.81
At 31 March 2023	137.60	137.60
Additions	-	-
At 31 March 2024	137.60	137.60
Depreciation and amortisation		
At 1 April 2022	91.90	91.90
Charge for the year	7.65	7.65
At 31 March 2023	99.55	99.55
Charge for the year	14.73	14.73
At 31 March 2024	114.28	114.28
Net block		
At 31 March 2023	38.05	38.05
At 31 March 2024	23.32	23.32



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2024

2.9 Other non-financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expense (considered good)	8.14	13.95
Insurance claim receivables (considered doubtful)	1.66	-
Advance to suppliers		
Considered good	21.27	10.83
Considered doubtful	1.89	1.00
Advance to employees		
Considered good	0.53	0.51
Considered doubtful	0.18	4.06
Goods and service tax receivable (net off)	37.94	31.57
Provision for doubtful debts	(3.73)	(5.06)
Total	67.88	56.86

2.10 Other Payables

Particulars	As at 31 March 2024	As at 31 March 2023
Other payables		
MSME	0.01	0.48
Others	78.80	92.57
Total	78.81	93.05

Other Payables aging schedule

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Not due	Less than 1 year	1-2 years	2-3 years	
i) MSME*	-	-	-	-	-
ii) Others	68.30	8.86	1.63	0.01	78.80
iii) Disputed dues - MSME*	-	0.01	-	-	0.01
iv) Disputed dues - Others	-	-	-	-	-
Total	68.30	8.87	1.63	0.01	78.81

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Not due	Less than 1 year	1-2 years	2-3 years	
i) MSME*	-	-	-	-	-
ii) Others	86.02	6.12	0.22	0.21	92.57
iii) Disputed dues - MSME*	-	-	0.48	-	0.48
iv) Disputed dues - Others	-	-	-	-	-
TOTAL	86.02	6.12	0.70	0.21	93.05

* Please refer note no. 2.31.

Note: There is no outstanding for more than 3 years as on 31 March 2024 and 31 March 2023.



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2024

2.11 Debt securities (measured at amortised cost)

Particulars	As at 31 March 2024	As at 31 March 2023
At amortised cost (Unsecured)		
Commercial paper (net of unamortised discounting charges)	1,474.61	-
Total	1,474.61	-

*The Company had issued Commercial paper carrying an interest rate of 7.99% per annum payable on quarterly basis. The Commercial Paper was repayable in 25 June 2024.

2.12 Borrowings (measured at amortised cost) (Unsecured)

Particulars	As at 31 March 2024	As at 31 March 2023
Term loans from banks (refer note 1 below)	7,804.62	9,304.26
Working capital loans from banks (refer note 2 below)	2,720.00	3,000.00
Bank overdraft (refer note 3 below)	939.31	-
External Commercial Borrowings (refer note 4 below)	-	1,538.90
Interest accrued on borrowings	3.05	28.05
Total (A)	11,466.98	13,871.21
Borrowings in India	11,466.98	12,314.96
Borrowings Outside India	-	1,556.25
Total (B)	11,466.98	13,871.21
Secured	-	-
Unsecured	11,466.98	13,871.21
Total (C)	11,466.98	13,871.21

Note 1: Terms and conditions of repayment of term loan from banks:

31 March 2024

Loan and ROI	Maturity date	Interest Payment Terms	Amount Outstanding as on 31 March 2024	Principal Repayment Terms
Term loan 1 - ROI 5.45%	31-05-2024	Monthly	40.95	Quarterly
Term loan 2 - ROI 5.45%	31-05-2024	Monthly	51.19	Quarterly
Term loan 3 - ROI 5.45%	14-06-2024	Monthly	93.14	Quarterly
Term loan 4 - ROI 6.30%	07-10-2024	Monthly	30.00	Quarterly
Term loan 5 - ROI 6.30%	13-10-2024	Monthly	7.50	Quarterly
Term loan 6 - ROI 6.20%	30-11-2024	Monthly	180.00	Quarterly
Term loan 7 - ROI 5.95%	31-12-2024	Monthly	207.00	Quarterly
Term loan 8 - ROI 5.75%	30-03-2025	Monthly	19.96	Quarterly
Term loan 9 - ROI 5.70%	30-04-2025	Monthly	29.98	Quarterly
Term loan 10 - ROI 4.99%	25-06-2025	Monthly	89.75	Quarterly
Term loan 11 - ROI 4.99%	30-06-2025	Monthly	89.75	Quarterly
Term loan 12 - ROI 4.50%	30-09-2025	Monthly	130.00	Quarterly
Term loan 13 - ROI 4.50%	30-09-2025	Monthly	64.00	Quarterly
Term loan 14 - ROI 4.50%	30-09-2025	Monthly	65.00	Quarterly
Term loan 15 - ROI 4.30%	30-12-2025	Monthly	151.00	Quarterly
Term loan 16 - ROI 4.50%	31-12-2025	Monthly	92.00	Quarterly
Term loan 17 - ROI 4.70%	31-12-2025	Monthly	233.33	Quarterly
Term loan 18 - ROI 4.70%	28-02-2026	Monthly	220.00	Quarterly
Term loan 19 - ROI 6.25%	30-06-2026	Monthly	699.00	Quarterly
Term loan 20 - ROI 7.05%	27-10-2026	Monthly	464.97	Quarterly
Term loan 21 - ROI 7.77%	29-12-2026	Monthly	317.50	Quarterly
Term loan 22 - ROI 7.88%	15-01-2027	Monthly	800.00	Quarterly
Term loan 23 - ROI 8.00%	29-03-2027	Monthly	400.00	Quarterly
Term loan 24 - ROI 8.05%	31-03-2027	Monthly	400.00	Quarterly
Term loan 25 - ROI 7.79%	30-05-2027	Monthly	467.00	Quarterly
Term loan 26 - ROI 7.25%	26-10-2027	Monthly	931.99	Quarterly
Term loan 27 - ROI 7.25%	30-10-2027	Monthly	279.60	Quarterly
Term loan 28 - ROI 7.25%	27-02-2028	Monthly	700.00	Quarterly
Term loan 29 - ROI 7.25%	19-03-2028	Monthly	550.00	Quarterly



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2024

31 March 2023

Loan and ROI	Maturity date	Interest Payment Terms	Amount Outstanding as on 31 March 2023	Principal Repayment Terms
Term loan 1 - ROI 5.45%	31-05-2024	Monthly	204.76	Quarterly
Term loan 2 - ROI 5.45%	31-05-2024	Monthly	255.95	Quarterly
Term loan 3 - ROI 5.45%	14-06-2024	Monthly	279.43	Quarterly
Term loan 4 - ROI 6.30%	10-07-2024	Monthly	280.00	Quarterly
Term loan 5 - ROI 6.30%	13-10-2024	Monthly	107.50	Quarterly
Term loan 6 - ROI 6.20%	30-11-2024	Monthly	500.00	Quarterly
Term loan 7 - ROI 5.95%	31-12-2024	Monthly	555.00	Quarterly
Term loan 8 - ROI 5.75%	30-03-2025	Monthly	179.97	Quarterly
Term loan 9 - ROI 5.70%	30-04-2025	Monthly	119.98	Quarterly
Term loan 10 - ROI 4.99%	25-06-2025	Monthly	420.75	Quarterly
Term loan 11 - ROI 4.99%	30-06-2025	Monthly	420.75	Quarterly
Term loan 12 - ROI 4.50%	30-09-2025	Monthly	478.00	Quarterly
Term loan 13 - ROI 4.50%	30-09-2025	Monthly	238.00	Quarterly
Term loan 14 - ROI 4.50%	30-09-2025	Monthly	239.00	Quarterly
Term loan 15 - ROI 4.30%	30-12-2025	Monthly	395.00	Quarterly
Term loan 16 - ROI 4.50%	31-12-2025	Monthly	196.00	Quarterly
Term loan 17 - ROI 4.70%	31-12-2025	Monthly	366.67	Quarterly
Term loan 18 - ROI 4.70%	28-02-2026	Monthly	360.00	Quarterly
Term loan 19 - ROI 6.25%	30-06-2026	Monthly	1,071.00	Quarterly
Term loan 20 - ROI 7.05%	27-10-2026	Monthly	653.00	Quarterly
Term loan 21 - ROI 7.77%	29-12-2026	Monthly	383.50	Quarterly
Term loan 22 - ROI 7.88%	15-01-2027	Monthly	800.00	Quarterly
Term loan 23 - ROI 8.00%	29-03-2027	Monthly	400.00	Quarterly
Term loan 24 - ROI 8.05%	31-03-2027	Monthly	400.00	Quarterly

Note 2 - The Company has taken unsecured short term working capital loans from banks at varying rate of interest ranging from 7.75% to 8.00% per annum (31 March 2023: 4.41% to 7.40% per annum).

Note 3 - The Company avails bank overdraft facility to manage its short term capital and is repayable on demand. The rate of interest during the year ranged from 7.25% to 7.25% per annum (31 March 2023: 5.00% to 7.25% per annum).

Note 4 - The Company has issued External Commercial Borrowings carrying an interest rate of 7.80% & 6.65% per annum payable on quarterly basis. The External Commercial Borrowings is repayable till 28 March 2024 in quarterly instalments starting from 30 October 2021.

Note 5 - The Company has obtained borrowing from banks and financial institutions and utilised them for the purpose for which they were obtained.

2.13 Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Loan pending disbursement	649.56	638.47
Payable to employees	13.90	19.83
Interest-free security deposit received	0.24	0.24
Advance received from dealer	27.64	11.93
Lease liabilities	41.48	34.49
Total	732.82	704.96



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2024

2.14 Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Gratuity*	17.02	13.80
Compensated absences	13.08	13.03
Total	30.10	26.83

* also refer note no. 2.29

2.15 Other non-financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable		
- Tax deducted at source payable	8.37	14.75
- Provident fund payable	1.84	1.85
- Labour welfare fund payable	0.01	0.02
- Goods and service tax payable (net off)	1.06	0.84
Total	11.28	17.46



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2024
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.16 Equity Share Capital

Details of Authorized, Issued, Subscribed and Paid up Share Capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of share	Amount	No of share	Amount
Authorized share Capital				
Equity Shares of Rs. 10/- each	397,200,000	3,972.00	397,200,000	3,972.00
	397,200,000	3,972.00	397,200,000	3,972.00
Issued, Subscribed and Paid up Capital				
Equity Shares of Rs. 10/- each	397,200,000	3,972.00	397,200,000	3,972.00
Total	397,200,000	3,972.00	397,200,000	3,972.00

(i) The reconciliation of equity shares outstanding at the beginning and at the end of the reporting period.

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	Amount	Number of Shares	Amount
Equity Share at the beginning of year	397,200,000	3,972.00	397,200,000	3,972.00
Add: Shares issued during the year	-	-	-	-
Equity Share at the end of year	397,200,000	3,972.00	397,200,000	3,972.00

(ii) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held.

(iii) Shares held by holding Company

Name of the shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% of holding	No. of shares	% of holding
CNH Industrial (India) Private Limited	397,200,000	100%	397,200,000	100%
	397,200,000	100%	397,200,000	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

There is no change in percentage of share holding during the year.

(iv) Details of shares held by Promoters

As at 31 March 2024

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
CNH Industrial (India) Private Limited	397,200,000	-	397,200,000	100%	0%

As at 31 March 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
CNH Industrial (India) Private Limited	397,200,000	-	397,200,000	100%	0%

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

Name of the shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% of holding	No. of shares	% of holding
CNH Industrial (India) Private Limited (alongwith its nominee)	397,200,000	100%	397,200,000	100%
	397,200,000	100%	397,200,000	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2024

2.17 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Retained earnings		
Opening balance	280.76	160.47
Add: Profit / (Loss) for the year	582.58	148.37
Add: Transferred from Other comprehensive income	(0.45)	1.59
Less: Transferred to Statutory Reserve	(116.52)	(29.67)
Balance at the end of the year (A)	746.37	280.76
Cash Flow hedge reserve		
Opening balance	6.53	(21.97)
Add: Transferred from Other comprehensive income	(6.53)	28.50
Balance at the end of the year (B)	0.00	6.53
Statutory Reserve		
Opening balance	90.81	61.14
Add: Addition during the year	116.52	29.67
Balance at the end of the year (C)	207.32	90.81
Total (A) + (B) + (C)	953.70	378.10

2.17 (i) Nature and purpose of reserve

Statutory reserve u/s 45-IC of RBI Act

Under Section 45-IC of the RBI Act, 1934, the Company is required to transfer sum not less than twenty percent of its net profit every year. Accordingly, the Company has transferred the above amount to the statutory reserve for the year ended 31 March 2024.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

Cashflow hedge reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.



CNH Industrial Capital (India) Private Limited
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(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.18 Interest income (on financial assets measured at amortised cost)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on loans	2,313.91	2,229.42
Interest on term deposits	9.21	11.54
Total	2,323.12	2,240.96

2.19 Fees Income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Fees and other charges income (including bounce charge income)	88.58	83.66
Total	88.58	83.66

2.20 Other Income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Business Support Services	14.89	12.13
Interest income on financial assets measured at fair value	0.64	0.71
Gain on derecognition of leases	0.04	0.05
Net gain on foreign currency transaction	0.68	-
Interest Income on Income tax refund	-	9.03
Liability no longer required written back	-	4.53
Provision no longer required written back	1.34	-
Total	17.59	26.45

2.21 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on borrowings from banks (measured at amortised cost)		
- on term loans and working capital loans from banks	802.46	843.80
- on bonds	-	16.01
- on bank overdraft	12.65	4.58
Discounting charges on commercial paper	55.15	-
Interest on lease liabilities	3.41	2.68
Other borrowing costs	11.46	12.23
Total	885.13	879.30

2.22 Impairment on financial instruments

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Impairment on financial instruments at amortised cost		
- Loans	(363.29)	123.17
Loss on sale of repossessed assets (including bad debts written off)	523.64	470.38
Total	160.35	593.55



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(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.23 Employee benefit expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	247.61	246.01
Contribution to provident and other funds	10.73	10.10
Gratuity and compensated absences (refer note 2.29)	5.75	2.88
Staff welfare expenses	4.33	4.19
Total	268.42	263.18

2.24 Depreciation and amortisation

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	0.14	0.49
Depreciation on right of use assets	13.88	8.46
Amortisation of intangible assets	14.73	7.65
Total	28.75	16.60

2.25 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Legal and Professional charges*	214.20	243.67
Repairs and maintenance	40.10	43.05
Travelling and conveyance	14.22	17.08
Rent	3.56	3.01
Rates and taxes	0.07	0.05
Business promotion and advertisement	0.31	2.22
Printing and stationery	5.65	5.24
Communication	3.87	4.61
Commission	12.51	12.79
Payment to auditors**	3.83	2.34
Corporate Social Responsibility (CSR)***	4.17	2.28
Provision for doubtful debts (net)	-	1.89
Net loss on foreign currency transaction	-	1.28
Bank Charges	2.50	2.95
Miscellaneous expenses	1.83	2.31
Total	306.82	344.77

*includes outsourced agency cost of Rs. 151.87 Millions (previous year Rs. 187.37 Millions)

****Payment to Auditors**

- Statutory audit	1.60	1.50
- Tax audit	0.15	0.15
- Other services	1.77	0.48
- reimbursement of expenses	0.04	0.01
- cost of goods and service tax	0.27	0.20
	3.83	2.34



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2024
(All amounts are in Rupees Millions except share data and unless otherwise stated)

***** Corporate Social Responsibility (CSR)**

Particulars	31-Mar-24	31-Mar-23
Amount required to be spent by the Company during the year	4.17	2.19
Amount of expenditure incurred	1.10	0.68
Shortfall at the end of the year	3.07	1.50
Total of previous years shortfall	1.50	-
Amount of expenditure incurred pertaining to previous year shortfall	1.60	-
Reason for shortfall	Project identification and finalisation of the Implementing agency was duly completed during the year; the shortfall relates to projects which are ongoing projects.	Company has already entered into an agreement with agency "Social Empowerment and Economic Development" for the CSR activities and is in the process of incurring the expenditure subsequent to the year end.
Nature of CSR activities	Education Sector and Sustainable Livelihood.	Impart vocational trainings to empower youth under debt Recovery Agent Program
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	NA	NA

Movement in the Provision of Corporate Social Responsibility

Particulars	31-Mar-24	31-Mar-23
Provision at the beginning of the year	1.60	-
Add: Additions during the year	4.17	2.28
Less: Utilisation during the year	2.70	0.68
Closing provision at the end of the year	3.07	1.60

2.26 Earning per share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Following reflects the profit /(loss) and share data used in EPS computations:		
Basic		
Weighted average number of equity shares for computation of Basic EPS	397,200,000	397,200,000
Net (loss) / profit for calculation of basic EPS	582.58	148.37
Basic earning per share (In Rs.)	1.47	0.37
Diluted		
Weighted average number of equity shares for computation of Diluted EPS	397,200,000	397,200,000
Net (loss) / profit for calculation of Diluted EPS	582.58	148.37
Diluted earning per share (In Rs.)	1.47	0.37
Nominal value of equity shares (In Rs.)	10.00	10.00



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2024
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.27: Derivative Financial Instruments

Part I	As at March 31, 2024			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Currency Derivatives:				
-Cross Currency Swaps	-	-	-	-
Total derivative financial instruments	-	-	-	-

Part II	As at March 31, 2024			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Included in above are derivatives held for hedging and risk				
Cash flow hedging:				
-Cross Currency Swaps	-	-	-	-
Total derivative financial instruments	-	-	-	-

Part I	As at March 31, 2023			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Currency Derivatives:				
-Cross Currency Swaps	1,420.54	126.42	-	-
Total derivative financial instruments	1,420.54	126.42	-	-

Part II	As at March 31, 2023			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Included in above are derivatives held for hedging and risk				
Cash flow hedging:				
-Cross Currency Swaps	1,420.54	126.42	-	-
Total derivative financial instruments	1,420.54	126.42	-	-

2.27.1: Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and foreign currency risk.

2.27.2: Derivatives designated as hedging instruments

(a) Cash flow hedges

The company uses Cross Currency Swap to hedge its risks associated with interest rate and foreign currency risk arising from External Commercial Borrowings.

The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve". Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Cross Currency Swaps match that of the external commercial borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross Currency Swap contracts are identical to the hedged risk components.

Particulars	As at March 31, 2024				
	Notional amounts	Carrying amount	Line item in the statement of financial position	Change in fair value	Cash flow hedge reserve as at March 31, 2024
The impact of Cash flow hedge (Net)	-	-	Derivative Financial Asset	-	-

Particulars	As at March 31, 2023				
	Notional amounts	Carrying amount	Line item in the statement of financial position	Change in fair value	Cash flow hedge reserve as at March 31, 2023
The impact of Cash flow hedge (Net)	1,420.54	8.72	Derivative Financial Asset	38.08	6.53



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2.28 Related Party disclosures

A. Name of related party and relationship

1. Ultimate holding and Holding Company

CNH Industrial N.V. (Ultimate holding company)
 CNH Industrial (India) Private Limited (Holding company)

2. Subsidiary companies of ultimate holding Company (fellow subsidiaries)

Case New Holland Construction Equipment India (Private) Limited
 CNH Industrial Financial Services SA
 CODEFIS Società Consortile Per Azioni (CODEFIS S.C.P.A.)
 FCA ITEM S.P.A.
 IVECO Capital Solution S.P.A.
 CNH Industrial Capital Australia PTY Limited
 CNH Industrial Technology Services (India) Private Limited
 IC Financial Services S.A.

3. Key management personnel

Vishal Chandhury (Managing Director w.e.f. 27 January 2022)
 Ratanak Verma (Resigned from Director w.e.f. 31 January 2023)
 Narinder Mittal (Director w.e.f. 10 February 2023)
 Daniel James MCTAGGART (Director)
 Maheshwar Prasad Singh (Director)
 Indrajit Mehta (Chief Financial Officer)
 Rini Jangid (Company Secretary w.e.f. 15 February 2022)
 Pankaj Gupta (Director w.e.f. 31 January 2024)

4. Enterprises under significant influence of the key management personnel (with whom there were transactions during the year)
 None

5. Relative of key management personnel (with whom transactions during the year)
 None

B. The nature and volume of transactions carried out and outstanding balance with the above related parties in the ordinary course of business are as follows:

As at 31 March 2024

Name of related party	Nature of transactions	Period from 1 April 2023 to 31 March 2024			As at 31 March 2024
		Expense amount	Income amount	Others	Outstanding balance
CNH Industrial (India) Private Limited	Income from sub-lease of Building	-	2.52	-	0.23
	Reimbursement of expense	8.70	-	-	-
	Proceeds from issue of Share Capital	-	-	-	(3,972.00)
	Interest from Business Support Services	-	14.42	-	1.75
	Interest on loans / receivable**	-	(102.56)	-	(28.64)
Case New Holland Construction Equipment India (Private) Limited	Interest on loans / receivable**	-	(20.09)	-	(6.26)
	Legal and Professional charges	3.82	-	-	-
IC Financial Services S.A.	Legal and Professional charges	4.20	-	-	(1.52)
IVECO Capital Solution SPA	Interest from Business Support Services	-	0.47	-	0.12
CODEFIS S.C.P.A.	Repairs and Maintenance	2.59	-	-	(2.98)
CNH Industrial Capital Australia PTY Limited	Legal and Professional charges	-	-	-	-
	Income from Business Support Services	-	-	(12.37)	(3.37)
CNH Industrial Technology Services (India) Private Limited	Reimbursement of TDS	-	-	12.81	-
Remuneration paid to key managerial personnel (refer note c below)	Short term employee benefits	33.63	-	-	-

As at 31 March 2023

Name of related party	Nature of transactions	Period from 1 April 2022 to 31 March 2023			As at 31 March 2023
		Expense amount	Income amount	Others	Outstanding balance
CNH Industrial (India) Private Limited	Income from sub-lease of Building	-	2.52	-	-
	Reimbursement of expense	9.46	-	-	(2.72)
	Proceeds from issue of Share Capital	-	-	-	(3,972.00)
	Interest from Business Support Services	-	11.57	-	0.87
	Interest on loans / receivable**	-	(48.48)	-	(37.22)
Case New Holland Construction Equipment India (Private) Limited	Interest on loans / receivable**	-	(105.45)	-	(8.08)
	Legal and Professional charges	3.82	-	-	-
IC Financial Services S.A.	Legal and Professional charges	0.43	-	-	(0.63)
CNH Industrial Financial Services SA	Legal and Professional charges	3.63	-	-	(3.75)
IVECO Capital Solution SPA	Interest from Business Support Services	-	0.56	-	0.12
CODEFIS S.C.P.A.	Repairs and Maintenance	3.84	-	-	(0.90)
Remuneration paid to key managerial personnel (refer note c below)	Short term employee benefits	24.53	-	-	-

Terms and Conditions of transactions with related parties:

- a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.
- b) For the year ended 31 March 2024 and 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.
- c) The remuneration to the key managerial personnel ("KMP") does not include the provisions made for gratuity and compensated absences as they are determined on an actuarial basis for the Company as a whole. Performance link incentive is included in KMP remuneration only when amount became due for payment on fulfilling certain conditions.

Note: Negative balance under column "Outstanding balance" above represents liability payable and positive balance represents assets recoverable.



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2.29 Employee benefits

Defined contribution plans:

Amount of Rs. 10.68 Millions (previous year: Rs. 10.06 Millions) pertaining to employer's contribution to provident fund is recognised as an expense and included in "Contribution to provident funds" in note 2.23 to the financial statements.

Defined benefit plans (gratuity plan)

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to such limit as prescribed by The Payment of Gratuity Act, 1972 as amended from time to time. The Scheme is unfunded. The Company has also provided for long-term compensated absences which are unfunded.

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for the gratuity plan:

	As at 31 March 2024	As at 31 March 2023
(a) Changes in the present value of the defined benefit obligation (DBO) are as follows:		
Defined benefit obligation at the beginning of the year	13.80	13.20
Acquisition adjustment	(0.28)	-
Interest cost	1.02	0.95
Current service cost	4.01	3.63
Benefits paid	(2.13)	(1.86)
Actuarial (gain)/ loss on obligations	0.60	(2.12)
Defined benefit obligation at the end of the year	17.02	13.80
(b) Amount recognised in Statement of Profit and Loss:	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	4.01	3.63
Acquisition adjustment	(0.28)	-
Interest cost	1.02	0.95
Amount recognised in Statement of Profit and Loss	4.75	4.58
(c) Amount recognised in Other Comprehensive Income:	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial (gain)/loss	0.60	(2.12)
Amount recognised in Other Comprehensive Income	0.60	(2.12)
(d) Change in Net Defined Benefit Obligation:	As at 31 March 2024	As at 31 March 2023
Total Service Cost	4.01	3.63
Interest cost	1.02	0.95
Actuarial (gain)/loss	0.60	(2.12)
Benefits paid	(2.13)	(1.86)
Total	3.50	0.60
(e) The assumptions used in determining gratuity liability for the Company's plans are shown below:	As at 31 March 2024	As at 31 March 2023
Discount rate	7.25%	7.36%
Future salary increase	8%	8%
Withdrawal rate		
Up to 30 years	3%	3%
From 31 to 44 years	2%	2%
From 44 years	1%	1%
Retirement Age	60	60
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)

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

The average duration of the defined benefit plan obligation at the end of the reporting period is 17.17 years (previous year: 17.45 years).

(f) **A quantitative sensitivity analysis for significant assumption:**

	As at 31 March 2024	As at 31 March 2023
Assumptions		
Increase in discount rate of 0.50%	(1.18)	(0.96)
Decrease in discount rate of 0.50%	1.29	1.05
Increase in future salary of 0.50%	1.27	1.04
Decrease in future salary of 0.50%	(1.17)	(0.96)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Expected contribution for the next Annual reporting period

	As at 31 March 2024	As at 31 March 2023
Service Cost	4.67	4.52
Net Interest Cost	1.23	1.02
Expected expense for the next annual reporting period	5.90	5.54

Experience adjustments for the reported years are as below:

	As at 31 March 2024	As at 31 March 2023
Change in demographic assumptions		
Change in financials assumptions	0.26	(0.35)
Experience adjustments on plan liabilities	0.34	(1.77)

Compensated absences:

The Company has provided for compensatory leaves (including sick leave) as per policy of the Company using the Projected Unit Credit Method on the basis of an actuarial valuation. The Company has accordingly booked Rs. 0.93 Millions (previous year: Rs. 0.93 Millions) in the Statement of Profit and Loss.



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2.30 Leases

Company as a lessee

Company enters into operating lease arrangements for leasing offices and vehicles for its employees. The Company also has certain lease for low value items like laptops. The Company applies the low value exemptions for these leases.

The Life of ROU assets is as follows :

Asset Class	Period
Building	1-5 years
Motor vehicles	1-4 years

The Company has entered into cancellable operating lease arrangements primarily for rental buildings and Vehicles. The leases are generally renewable on the expiry of lease period subject to mutual agreement.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Buildings	Vehicles	Total
At 1 April 2022	23.59	2.89	26.48
Additions	0.28	10.77	11.05
Disposals in existing contracts (net)	(0.19)	(0.02)	(0.21)
Depreciation expense	(5.07)	(3.39)	(8.46)
At 31 March 2023	18.61	10.25	28.86
Additions	0.30	22.82	23.12
Disposals in existing contracts (net)	-	(1.86)	(1.86)
Depreciation expense	(5.04)	(8.84)	(13.89)
At 31 March 2024	13.86	22.37	36.23

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the

Particulars	As at	As at
	31 March 2024	31 March 2023
Opening balance	34.49	32.44
Additions	23.12	11.05
Disposal	(1.79)	(0.26)
Accretion of interest	3.41	2.68
Payments	(17.75)	(11.42)
Closing balance	41.48	34.49
Current	18.05	12.18
Non-current	23.43	22.31
Total	41.48	34.49

The effective interest rate for lease liabilities is between 6.5% to 7.5%, with maturity in 2028-29.

Set out below are the carrying amounts of lease receivables and the movements during the period:

Particulars	As at	As at
	31 March 2024	31 March 2023
Opening balance	5.74	6.91
Accretion of interest	0.41	0.49
Collection	(1.67)	(1.66)
Closing balance	4.48	5.74
Current	1.55	1.55
Non-current	2.93	4.19
Total	4.48	5.74

The following are the amounts recognised in statement of profit or loss:

Particulars	As at	As at
	31 March 2024	31 March 2023
Depreciation charge for right-of-use assets		
- Building	5.04	5.07
- Vehicles	8.84	3.39
Interest expense on lease liabilities	3.41	2.68
Interest income on lease receivables	(0.41)	(0.49)
(Gain)/Loss on derecognition of leases	(0.04)	(0.05)
Expense relating to short-term leases	3.56	3.01
Total amount recognised in statement of profit or loss	20.40	13.61



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2.31 Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given as follows:

Particulars	31-Mar-24	31-Mar-23
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount due to micro and small enterprises	0.01	0.48
- Interest on the principal amount due	Nil	Nil
The amount of interest paid by the buyer in terms of section 18 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
- Payments made to suppliers beyond the appointed date	Nil	Nil
- Interest on the principal amount	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company		

2.32 Operating Segments

The company operates in a single business segment i.e. financing, which are similar risks and returns for the purpose of IND AS 108 on "Operating segment" notified under the companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic.

2.33 Unhedged foreign currency

Particulars of foreign currency exposure as at the reporting date:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Amount in foreign currencies	Amount in Rs.	Amount in foreign currency	Amount in Rs.
Other payable - Euro	0.05	4.67	0.06	5.28
Other receivable - Euro	0.00	0.12	0.00	0.12
Other receivable - USD	0.15	12.37	-	-

The Company does not entered in to any foreign exchange forward contracts during the year.

2.34 Fair Value

Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly or indirectly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair Value of financial instruments which are not measured at Fair Value:

Valuation methodologies of financial instruments not measured at fair value:

Loans - The fair value of fixed rate loans are determined by discounting expected future contractual cash flows using current market interest rates charged to similar categories of new loans. The fair value of floating rate loans are deemed to be equivalent to the carrying value.

Borrowings - The fair value of certain fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans. The fair value of floating rate borrowings are deemed to be equivalent to the carrying value.

For Derivatives - Cross Currency swaps held for the purpose of hedging foreign currency denominated external commercial borrowings are accounted as cash flow hedge. These swaps are considered under Level 2 for fair valuation. All future cashflows in the swap contract are discounted to present value using the forward rates and accordingly arrived at the valuation for a point of time.

Particulars	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
At fair value through OCI				
Derivative Asset				
- Interest rate swap	-	-	-	-
At fair value through Profit and Loss				
Derivative Asset				
- Currency swap	-	-	-	-
Total	-	-	-	-

Particulars	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
At fair value through OCI				
Derivative Asset				
- Interest rate swap	-	8.73	-	8.73
At fair value through Profit and Loss				
Derivative Asset				
- Currency swap	-	117.69	-	117.69
Total	-	126.42	-	126.42

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

There were no transfers between levels during the year.

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximations of fair values.



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2.35 Maturity analysis of assets and liabilities as at 31 March 2024

Particulars	Within 12 months	After 12 months	Total
Assets			
Financial assets			
a) Cash and cash equivalents	901.76	-	901.76
b) Receivables			
i) Trade receivables	45.20	-	45.20
ii) Other receivables	16.32	-	16.32
c) Loans	9,582.83	7,569.40	17,152.23
d) Other Financial assets	1.73	6.46	8.19
Non-financial assets			
a) Non Current tax assets (net)	-	148.00	148.00
b) Deferred tax assets (net)	-	364.84	364.84
c) Property, plant and equipment	-	36.45	36.45
d) Other Intangible assets	-	23.32	23.32
e) Other non-financial assets	67.88	-	67.88
Total Assets	10,615.72	8,148.47	18,764.19
Liabilities			
Financial liabilities			
a) Payables			
i) Other Payables			
- Total outstanding dues of micro enterprises and small enterprises	0.01	-	0.01
- Total dues of creditors other than micro enterprises and small enterprises	78.80	-	78.80
b) Debt securities	1,474.61	-	1,474.61
c) Borrowings (Other than Debt Securities)	6,563.48	4,903.50	11,466.98
d) Other financial liabilities	709.15	23.67	732.82
Non-financial liabilities			
a) Current tax liabilities (net)	43.89	-	43.89
b) Provisions	0.85	29.25	30.10
c) Other non-financial liabilities	11.28	-	11.28
Total Liabilities	8,882.07	4,956.42	13,838.49



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2.35 Maturity analysis of assets and liabilities as at 31 March 2023

Particulars	Within 12 months	After 12 months	Total
Assets			
Financial assets			
a) Cash and cash equivalents	566.60	-	566.60
b) Derivative financial instruments	126.42	-	126.42
c) Receivables			
i) Trade receivables	55.30	-	55.30
ii) Other receivables	0.99	-	0.99
d) Loans	10,560.38	7,037.88	17,598.26
e) Other Financial assets	1.55	7.48	9.03
Non-financial assets			
a) Non Current tax assets (net)	-	148.00	148.00
b) Deferred tax assets (net)	-	434.89	434.89
c) Property, plant and equipment	-	29.21	29.21
d) Intangible assets under development	-	-	-
e) Other Intangible assets	-	38.05	38.05
f) Other non-financial assets	56.69	0.17	56.86
Total Assets	11,367.93	7,695.68	19,063.61
Liabilities			
Financial liabilities			
a) Derivative financial instruments	-	-	-
b) Payables			
i) Other Payables			
- Total outstanding dues of micro enterprises and small enterprises	0.48	-	0.48
- Total dues of creditors other than micro enterprises and small enterprises	92.57	-	92.57
c) Debt securities	-	-	-
d) Borrowings (Other than Debt Securities)	8,995.09	4,876.12	13,871.21
e) Other financial liabilities	682.40	22.56	704.96
Non-financial liabilities			
a) Provisions	0.76	26.07	26.83
b) Other non-financial liabilities	17.46	-	17.46
Total Liabilities	9,788.76	4,924.75	14,713.51



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2.36 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company net of intangible assets.

The Company's objectives when managing capital are to

- safeguard its ability to continue as going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- actively manage capital base to cover the risks inherent in the business and is meeting the capital adequacy requirements of the Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI. The Company has complied in full with all its externally imposed capital requirements over the reported period.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors and market's confidence and to sustain future development of the business. The Board of Directors ensure that the Company complies with externally imposed capital requirements and maintains strong credit rating and healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain and adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholder or issue capital securities. No changes have been made to the objectives from previous years. However they are under constant review by the Board.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

Particulars	As at 31 March 2024	As at 31 March 2023
Debts	12,941.59	13,871.21
Net Worth	4,925.70	4,350.10
Debt to Net Worth (in times)	2.63	3.19

2.36 (i) Regulatory Capital

Common equity Tier 1 (CET1) capital, which includes ordinary share capital, retained earnings and reserves after adjustment of dividend declared and deduction for intangibles assets and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy purposes.

Tier 2 capital, includes preference share, qualifying as subordinated liabilities and provision for expected credit loss on stage 1 assets.

Tier 1 Capital	As at 31 March 2024	As at 31 March 2023
Equity share capital	3,972.00	3,972.00
Free Reserves	953.70	371.57
Deductions:		
-Intangibles assets	(23.32)	(38.05)
-Deferred tax	(564.84)	(466.71)
-Prepaid expenses	(8.14)	(13.95)
	<u>4,529.40</u>	<u>3,824.86</u>
Tier 2 Capital		
Provision for expected credit loss on stage 1 assets	<u>220.43</u>	<u>225.47</u>
Total Regulatory Capital	4,749.83	4,050.33
Risk weighted assets	17,634.53	18,037.81
Capital to Risk weighted asset ratio (CRAR) (%)	26.93%	22.45%
CRAR Tier 1 Capital (%)	25.68%	21.20%
CRAR Tier 2 Capital (%)	1.25%	1.25%
Liquidity Coverage ratio	NA	NA

2.36 (ii) Analytical Ratios

Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for variance (if above 25%)
Capital to Risk weighted asset ratio (CRAR) (%)	4,749.82	17,634.53	26.93%	22.45%	4.48%	NA
CRAR Tier 1 Capital (%)	4,529.39	17,634.53	25.68%	21.20%	4.48%	NA
CRAR Tier 2 Capital (%)	220.43	17,634.53	1.25%	1.25%	0.00%	NA
Liquidity Coverage ratio	NA	NA	NA	NA	NA	NA

2.36 (iii) Capital allocation

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on regulatory capital requirements, but in some cases the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken by the management and is subject to review by the Company Asset and Liability Management Committee (ALCO).

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic activities. The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.



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2.37 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations. On the other hand company's Principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Company's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, technical and legal verifications and conservative loan to value. The major types of risk Company face in businesses are liquidity risk, market risk and credit risk related to our financing activities.

Liquidity risk

Liquidity risk refers to the risk that the Company can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. The unavailability of adequate amount of funds at optimum cost and co-terminus tenure to repay the financial liabilities and further growth of business resultantly may face an Asset Liability Management (ALM) mismatch caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding of an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Note No.	Carrying value	Less than 1 year	1 to 5 years	> 5 years	Total
Year ended 31 March 2024						
Other payable	2.10	78.81	78.81	-	-	78.81
Debt Securities	2.11	1,474.61	1,474.61	-	-	1,474.61
Borrowings (Other than debt securities)	2.12	11,466.98	6,563.48	4,903.50	-	11,466.98
Other financial liabilities	2.13	732.82	709.15	23.67	-	732.82
		13,753.22	8,826.05	4,927.17	-	13,753.22
Year ended 31 March 2023						
Other payable	2.10	93.05	93.05	-	-	93.05
Borrowings (Other than debt securities)	2.12	13,871.21	8,995.09	4,876.12	-	13,871.21
Other financial liabilities	2.13	704.96	682.40	22.56	-	704.96
		14,669.22	9,770.54	4,898.68	-	14,669.22

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company's exposure to market risk is described below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises from the need to fund financial operating activities and the necessity to deploy surplus funds. The Company borrows and lends at fixed rate of interest. Thus, the Company is not exposed to Interest Rate Risk.

Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate mortgages when interest rates fall. The Company charges prepayment penalty on prepayment of loan from customer to cover the financial loss arising early payment by the customer.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the external commercial borrowings. The Company manages its currency risks by entering into derivative contracts as hedge positions for the full tenure of the external commercial borrowings. The Company's exposure of foreign currency risk at the end of the reporting period expressed in INR is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
	INR	INR
Hedged		
ECB	-	1,538.96
Derivative*	-	1,420.54

* represents the notional amount of the derivative financial instrument.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loan assets.

Credit risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to higher NPAs. Company address credit risks by using a set of credit norms and policies, which are approved by Board and backed by analytics and technology. Company has implemented a structured and standardized credit approval process, including customer selection criteria, comprehensive credit risk assessment and cash flow analysis, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. Actual credit exposures, credit limits and asset quality are regularly monitored and analysed at various levels. Company has created a robust credit assessment and underwriting practice that enables to fairly price credit risks.



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The following table provides information about the exposure to credit risk and expected credit loss for loan assets and cash and cash equivalents:

1) Loan assets	Gross carrying amount	Weighted average loss rate	Loan allowance	Whether credit - impaired
As at 31 March 2024				
Stage 1	16,004.93	1.98%	317.38	No
Stage 2	788.60	3.27%	25.81	No
Stage 3	1,602.32	56.20%	900.43	Yes
	18,395.85		1,243.62	
As at 31 March 2023				
Stage 1	15,725.74	1.96%	308.10	No
Stage 2	1,360.60	2.65%	36.11	No
Stage 3	2,118.83	59.59%	1,262.70	Yes
	19,205.17		1,606.91	

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Analysis of risk concentration

The Company's concentrations of risks are managed by client/counterparty based on Loan to Value (LTV) segregation.

The following table stratify the Loan-to-Value ratio at the time of origination of loans for the outstanding loans at the respective year end, which has been calculated by taking the finance amount to fair value of collateral at the time of origination of loans:

As at 31 March 2024

Retail Loans				
LTV Ratio	Stage 1	Stage 2	Stage 3	Total
Less than 50%	923.49	11.92	32.12	967.53
51-90%	9,990.79	471.68	1,153.09	11,615.56
91-100%	1,121.20	9.58	8.69	1,139.47
Total	12,035.48	493.18	1,193.90	13,722.56
Commercial Finance				
LTV Ratio	Stage 1	Stage 2	Stage 3	Total
91-100%	3,969.45	295.42	408.42	4,673.29
Total	3,969.45	295.42	408.42	4,673.29

As at 31 March 2023

Retail Loans				
LTV Ratio	Stage 1	Stage 2	Stage 3	Total
Less than 50%	898.47	9.04	38.45	945.96
51-90%	9,656.84	612.45	1,629.46	11,898.75
91-100%	872.37	2.59	29.09	904.05
Total	11,427.68	624.08	1,697.00	13,748.76
Commercial Finance				
LTV Ratio	Stage 1	Stage 2	Stage 3	Total
91-100%	4,298.06	736.52	421.83	5,456.41
Total	4,298.06	736.52	421.83	5,456.41

Change in gross carrying value of loan assets consists of the following:

Retail Loans				
Loan Assets	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 April 2022	11,686.82	1,406.99	1,568.32	14,662.13
New financial assets acquired / originated	5,962.52	-	-	5,962.52
Transfer to Stage 1	347.49	(254.88)	(92.61)	-
Transfer to Stage 2	(468.58)	508.99	(40.41)	-
Transfer to Stage 3	(798.19)	(677.00)	1,475.19	0.00
Assets derecognised or repaid	(5,302.38)	(360.02)	(1,213.49)	(6,875.89)
Balance as at 31 March 2023	11,427.68	624.08	1,697.00	13,748.76
New financial assets acquired / originated	7,029.42	-	-	7,029.42
Transfer to Stage 1	93.92	(56.36)	(37.56)	-
Transfer to Stage 2	(348.53)	391.74	(43.21)	-
Transfer to Stage 3	(535.25)	(160.76)	696.01	-
Assets derecognised or repaid	(5,631.76)	(305.52)	(1,118.34)	(7,055.62)
Balance as at 31 March 2024	12,035.48	493.18	1,193.90	13,722.56



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Commercial Finance

Loan Assets	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 April 2022	3,762.61	480.21	430.87	4,673.69
New financial assets acquired / originated	28,697.94			28,697.94
Transfer to Stage 1	122.43	(67.06)	(55.37)	-
Transfer to Stage 2	(430.15)	479.73	(49.58)	-
Transfer to Stage 3	(217.14)	(198.27)	415.41	-
Assets derecognised or repaid	(27,637.63)	41.91	(319.50)	(27,915.22)
Balance as at 31 March 2023	4,298.06	736.52	421.83	5,456.41
New financial assets acquired / originated	29,705.31			29,705.31
Transfer to Stage 1	469.24	(304.65)	(164.59)	-
Transfer to Stage 2	(371.62)	385.31	(13.69)	-
Transfer to Stage 3	(210.03)	(273.94)	483.97	-
Assets derecognised or repaid	(29,921.51)	(247.82)	(319.10)	(30,488.43)
Balance as at 31 March 2024	3,969.45	295.42	408.42	4,673.29

Change in expected credit loss on loan assets consists of the following:

Retail Loans

Loan Assets	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 April 2022	219.45	54.63	1,020.81	1,294.89
New financial assets acquired / originated	138.08	-	-	138.08
Transfer to Stage 1	49.98	(9.64)	(40.34)	-
Transfer to Stage 2	(11.78)	30.49	(18.71)	-
Transfer to Stage 3	(49.06)	(26.56)	75.60	(0.00)
Assets derecognised or repaid	(75.47)	(19.09)	85.82	(8.76)
Balance as at 31 March 2023	271.20	29.83	1,123.18	1,424.21
New financial assets acquired / originated	161.92	-	-	161.92
Transfer to Stage 1	2.24	(1.37)	(0.87)	-
Transfer to Stage 2	(16.46)	18.50	(2.04)	-
Transfer to Stage 3	(279.32)	(96.43)	375.75	-
Assets derecognised or repaid	143.74	72.76	(731.15)	(514.65)
Balance as at 31 March 2024	283.32	23.29	764.87	1,071.48

Commercial Finance

Loan Assets	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 April 2022	32.21	4.10	152.55	188.86
New financial assets acquired / originated	243.93	-	-	243.93
Transfer to Stage 1	14.69	(0.57)	(14.12)	-
Transfer to Stage 2	(3.68)	10.62	(6.94)	-
Transfer to Stage 3	(2.60)	(1.69)	4.29	-
Assets derecognised or repaid	(247.65)	(6.18)	3.74	(250.09)
Balance as at 31 March 2023	36.90	6.28	139.52	182.70
New financial assets acquired / originated	252.50	-	-	252.50
Transfer to Stage 1	29.87	(2.60)	(27.27)	-
Transfer to Stage 2	(3.18)	12.13	(8.95)	-
Transfer to Stage 3	(1.96)	(2.34)	4.30	-
Assets derecognised or repaid	(280.07)	(10.95)	27.96	(263.06)
Balance as at 31 March 2024	34.06	2.52	135.56	172.14

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system, technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.



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2.38 Summary of Financial assets and liabilities which are recognised at amortised cost

Particulars	As at 31 March 2024	As at 31 March 2023
Financial assets		
Cash and cash equivalents	901.76	566.60
Trade receivables	45.20	55.30
Other receivables	16.32	0.99
Loans	17,152.23	17,598.26
Other financial assets	8.19	9.03
Total Financial assets	18,123.70	18,230.18
Financial liabilities		
Payables	78.80	93.05
Debt securities	1,474.61	-
Borrowings (Other than Debt Securities)	11,466.98	13,871.21
Other financial liabilities	732.82	704.96
Total Financial liabilities	13,753.21	14,669.22

2.39 Contingent Liability

There are two claims against the Company not acknowledged as debt amounting to Rs. 0.06 Millions for the year ended 31 March 2024 on account of registration of document.

There is one claim against the Company not acknowledged as debt amounting to Rs. 0.01 Millions (net of deposit paid amounting to Rs. 0.01 Millions) for the year ended 31 March 2023.

2.40 There is no capital commitment as on 31 March 2024 and 31 March 2023.

2.41 Additional information pursuant to Ministry of Corporate Affairs notification dated March 24, 2021 with respect to amendments in Schedule III or Companies Act, 2013

(i) There are no proceedings which have been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The company is not a wilful defaulter as declared by any bank or financial institution or any other lender.

(iii) The company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(iv) There are no charges or Satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(v) There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or surveyor any other relevant provisions of the Income Tax Act, 1961).

(vi) The company has not traded or invested in Crypto Currency or Virtual Currency during the year.

(vii) Utilisation of borrowed funds

The Company, as part of its normal business, grants loans and advances to its customers, other entities and persons. These transactions are part of Company's normal finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate beneficiaries). The Company has also not received any fund from any parties (Funding party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

(a) Repayable on demand; or

(b) without specifying any terms or period of repayment

(ix) Since, the Company does not have any immovable property, clause related to title deeds of property not held in the company's own name is not applicable.

(x) The Company has not invested with number of layers of Companies during FY 2023-24, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

2.42 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

2.43 The disclosures required in terms of Paragraph 18 of Master Direction Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 given in Annexure A forming part of these financial statements.



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Notes to the financial statements for the year ended 31 March 2024
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2.44 (a) The disclosures as required by the NBFC Master Directions issued by RBI are as follows:

i. Capital funds, risk assets/ exposure and risk asset ratio (CRAR)

	Year ended 31 March 2024	Year ended 31 March 2023
(i) CRAR (%)	26.93%	22.45%
(ii) CRAR - Tier I capital (%)	25.68%	21.20%
(iii) CRAR - Tier II capital (%)	1.25%	1.25%
(iv) Amount of subordinated debt raised as Tier-II capital	-	-
(v) Amount raised by issue of perpetual Debt instruments	-	-

CRAR as at 31 March 2024 (P.Y. 31 March 2023) has been determined in accordance with the RBI Master Directions read with RBI notification RBI/2019-20/170_DOR(NBFC) CC PD.No 109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian Accounting Standards.

ii The Company has not made any investments during the year ended 31 March 2024 and 31 March 2023.

iii Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and foreign currency risk.

Derivatives designated as hedging instruments

Cash flow hedges

The company uses Cross Currency Swap to hedge its risks associated with interest rate and foreign currency risk arising from External Commercial Borrowings.

The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve". Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Cross Currency Swaps match that of the external commercial borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross Currency Swap contracts are identical to the hedged risk components.

Cross Currency Swap Agreement

Particulars	As at 31 March 2024	As at 31 March 2023
The notional principal of swap agreements	-	1,420.54
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
Collateral required by the applicable NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	-	-
The fair value of the swap book	-	1,538.90

Exchange traded interest rate derivatives

The Company has not traded in exchange traded interest rate derivative during the current and previous year.

Disclosures on risk exposure in derivatives

Qualitative disclosure

The company uses Cross Currency Swap to hedge its risks associated with interest rate and foreign currency risk arising from External Commercial Borrowings. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve". Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. There is an economic relationship between the hedged item and the hedging instrument as the terms of the Cross Currency Swaps match that of the external commercial borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross Currency Swap contracts are identical to the hedged risk components.

Quantitative disclosure as at 31 March 2024

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	-	-
(ii) Marked to Market Positions	-	-
(a) Assets	-	-
(b) Liability	-	-
(ii) Credit Exposure	-	-
(ii) Unhedged Exposures	-	-

Quantitative disclosure as at 31 March 2023

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	1,420.54	-
(ii) Marked to Market Positions	-	-
(a) Assets	-	-
(b) Liability	117.69	8.73
(ii) Credit Exposure	-	-
(ii) Unhedged Exposures	-	-



CNH Industrial Capital (India) Private Limited

Notes to the financial statements for the year ended 31 March 2024

(All amounts are in Rupees Millions except share data and unless otherwise stated)

iv Securitisation and assignment

- a) There are no securitisation and assignment transaction entered into by the Company during the year ended 31 March 2024 and 31 March 2023.
 b) There is no sale of financial asset to securitisation / reconstruction company for asset reconstruction during the year ended 31 March 2024 and 31 March 2023.
 c) There has been no purchase/ sale of non performing financial assets made by the Company during the year ended 31 March 2024 and 31 March 2023.

v There is no exposure to real state sector by the Company during the year ended 31 March 2024 and 31 March 2023.

vi There is no exposure to capital market during the year ended 31 March 2024 and 31 March 2023.

vii Financing of parent company products

The Company is a non-banking financing Company engaged in the business of wholesale and retail lending of agricultural, commercial equipments etc. manufactured by its parent company.

viii Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL)

The Company has not exceeded the prudential exposure limits during the year ended 31 March 2024 and 31 March 2023.

ix Unsecured advances

- a) The Company has not provided any unsecured advances as at 31 March 2024 and 31 March 2023 to the borrowers.
 b) There has been no collateral by the way of rights, licenses, authorisations etc. against which the loan has been advanced as at 31 March 2024 and 31 March 2023.

x The Company does not have registration with any other financial sector regulator.

xi Disclosure of penalties imposed by RBI and other regulators

There has been no penalty imposed by RBI and other regulators during the financial year ended 31 March 2024 and 31 March 2023.

xii Detail of ratings assigned by credit rating agencies and migration of ratings during the year

Name of the rating agency	Year ended 31 March 2024	Year ended 31 March 2023
CRISIL Limited (Commercial Paper)	Crisil A1+	Crisil A1+
India Ratings and Research (Ind-Ra) (Commercial Paper)	IND A1+	IND A1+

xiii There is no prior period item which has an impact on current year's profit. Further, there is no change in accounting policies during the current year and the same is as per the requirement of Ind AS.

xiv Revenue recognition

There were no instances where revenue recognition has been postponed pending the resolution of significant uncertainties during the year ended 31 March 2024 and 31 March 2023.

xv Provisions and contingencies

Particulars	(Amount in Rs. Crores)	
	Year ended 31 March 2024	Year ended 31 March 2023
Break up of 'Provisions and contingencies' shown under the head expenditure in Statement of Profit and Loss		
Impairment of financial instrument at amortised cost		
- Loans and other financial assets	(36.33)	12.32
Provision for doubtful debts (net)	-	0.19
Provision made towards Income tax including deferred tax	19.72	10.53

xvi Related party transactions

Refer note 2.28 of financial statements for related party transactions disclosure. The Company did not have any transaction during the current year and previous year with non-executive directors.

xvii Drawdown from reserves

There has been no draw down from reserves during the financial year ended 31 March 2024 and 31 March 2023.



CNH Industrial Capital (India) Private Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Rupees Millions except share data and unless otherwise stated)

xviii **Asset liability management maturity pattern of certain items of assets and liabilities**

(Amount in Rs. Crores)

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 Year	Over 1 Year and upto 3 Years	Over 3 Years and upto 5 Years @	Over 5 Years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances*	40.13	3.00	36.55	74.49	187.22	382.15	251.83	574.35	191.55	8.27	1,749.54
	(35.91)	(7.48)	(31.70)	(86.50)	(208.89)	(410.92)	(264.26)	(558.61)	(178.97)	(11.00)	(1,794.24)
Investments	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Borrowings	-	-	136.04	46.92	192.30	179.00	249.55	438.11	52.24	-	1,294.16
	(-)	(-)	(108.98)	(225.96)	(99.15)	(148.95)	(316.48)	(371.88)	(115.72)	(-)	(1,387.12)
Foreign currency assets \$	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign currency liabilities \$	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

(previous year figures is shown in bracket)

*Advances comprise loan receivable after netting off of deferred operating income / expenses and impairment provision for Stage 3

\$ excludes assets/liabilities not related to financing activities

@ Stage 3 loans have been classified under the bucket of over 3 years and upto 5 years.



CNH Industrial Capital (India) Private Limited
Notes to the financial statements for the year ended 31 March 2024

(All amounts are in Rupees Millions except share data and unless otherwise stated)

xix Concentration of Advances*

(Amount in Rs. Crores)

Particulars	As at 31 March 2024	As at 31 March 2023
Total advances to twenty largest borrowers	186.20	154.47
Percentage of advances to twenty largest borrowers to total advances of the NBFC	9.97%	7.92%

*Advances represents loan receivables (excludes the netting off of deferred operating income / expenses)

xx Concentration of Exposures*

(Amount in Rs. Crores)

Particulars	As at 31 March 2024	As at 31 March 2023
Total exposure to twenty largest borrowers/customers	186.20	154.47
Percentage of exposures to twenty largest borrowers/customers to total exposures of the NBFC on borrowers / customers	9.97%	7.92%

*Exposures represents loan receivables (excludes the netting off of deferred operating income / expenses)

xxi Concentration of NPAs

(Amount in Rs. Crores)

Particulars	As at 31 March 2024	As at 31 March 2023
Total exposure* to top four NPA accounts	14.79	9.94

*exposure above comprises of loan receivables (excludes the netting off of deferred operating income / expenses)

xxii Sector-wise NPAs

(Amount in Rs. Crores)

Sector	Percentage of NPAs to total advances in that sector	
	As at 31 March 2024	As at 31 March 2023
1. Agriculture & allied activities	-	-
2. MSME	-	-
3. Corporate borrowers	-	-
4. Services	-	-
5. Unsecured personal loans	-	-
6. Auto loans*	8.71%	11.03%
7. Other personal loans	-	-

Note: Advances comprise loan receivable

* wholesale and retail lending of agricultural and commercial equipments (including to corporate borrowers) is also included here.

xxiii Movement of NPAs

(Amount in Rs. Crores)

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Net NPAs to Net Advances (%)	4.01%	4.77%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	211.88	199.92
(b) Additions during the year	97.75	136.26
(c) Reductions during the year	(149.40)	(124.30)
(d) Closing balance	160.23	211.88
(iii) Movement of net NPAs		
(a) Opening balance	85.61	82.59
(b) Additions during the year	43.18	53.42
(c) Reductions during the year	(58.60)	(50.40)
(d) Closing balance	70.19	85.61
(iv) Movement of provisions for NPAs		
(a) Opening balance	126.27	117.33
(b) Additions during the year	54.57	82.84
(c) Write off / Write back of excess provisions	(90.80)	(73.90)
(d) Closing balance	90.04	126.27

Note: Net advances comprise loan receivable reduced by Impairment on loan receivables on Stage 3. Further, the above movement is for Stage 3 loans.

xxiv Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The Company does not have any overseas assets.

xxv Off-balance Sheet SPVs sponsored

There were no off-balance sheet SPVs sponsored by the Company during the year ended 31 March 2024 and 31 March 2023.



CNH Industrial Capital (India) Private Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Rupees Millions except share data and unless otherwise stated)

xxvi Disclosure of complaints

There were no complaints received by the Company during the year ended 31 March 2024 and 31 March 2023.

xxvii Disclosure of value of imports on CIF basis

The Company has not imported any goods therefore value of imports on CIF basis is Nil. (As on 31 March 2023 - Nil).

2.44 (b) Disclosures as required for liquidity risk

i Funding concentration based on significant counterparty* (both borrowings and deposits) (Amount in Rs. Crores)

Particulars	As at 31 March 2024	As at 31 March 2023
Number of significant counterparties	9	9
Amount	1,294.16	1,387.12
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities	93.52%	94.28%

*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR. NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies.

ii Top 20 large deposits (Amount in Rs. Crores)

Particulars	As at 31 March 2024	As at 31 March 2023
Total amount of top 20 deposits	NA	NA
Percentage of amount of top 20 deposits to total deposits	NA	NA

iii Top 10 borrowings (Amount in Rs. Crores)

Particulars	As at 31 March 2024	As at 31 March 2023
Total amount of top 10 borrowings	1,294.16	1,387.12
Percentage of amount of top 10 borrowings to total borrowings	100.0%	100.0%

iv Funding concentration based on significant instrument / product* (Amount in Rs. Crores)

Particulars	As at 31 March 2024	Percentage of total liabilities
Commercial paper	147.46	10.66%
External Commercial Borrowing (ECB)*	-	0.00%
Loan from banks	1,146.70	82.86%

* external commercial borrowing has been repaid during the year

Particulars	As at 31 March 2023	Percentage of total liabilities
Bond	-	0.00%
External Commercial Borrowing (ECB)	155.63	10.58%
Loan from banks	1,231.50	83.70%

*Significant instrument / product is as defined in RBI Circular RBI/2019-20/88 DOR. NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies.

v Stock ratio (Amount in Rs. Crores)

Particulars	As at 31 March 2024	As at 31 March 2023
Commercial paper as a percentage of total public funds*	11.39%	NA
Commercial paper as a percentage of total liabilities	10.66%	NA
Commercial paper as a percentage of total assets	7.86%	NA
Other short term liabilities** as a percentage of total public funds	34.65%	27.26%
Other short term liabilities as a percentage of total liabilities	32.41%	25.70%
Other short term liabilities as a percentage of total assets	23.90%	19.83%
Non convertible debentures as a percentage of total public funds	NA	NA
Non convertible debentures as a percentage of total liabilities	NA	NA
Non convertible debentures as a percentage of total assets	NA	NA

* Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016. as amended from time to time.

**Other short term liabilities includes Working capital loans from banks, Bank overdraft, other non-financial liabilities and other financial liabilities (excluding lease liabilities and Interest free security deposits).

vi Institutional set up for liquidity risk management

Refer note no. 2.36 of financial statements



CNH Industrial Capital (India) Private Limited
Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.45 Asset Classification as per RBI Norms

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5	6	7
Performing Assets						
Standard	Stage 1	16,004.93	317.38	15,687.55	64.02	253.36
	Stage 2	788.60	25.81	762.79	3.15	22.66
Subtotal for standard		16,793.53	343.19	16,450.34	67.17	276.02
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,342.37	662.60	679.78	134.24	528.36
Doubtful - up to 1 year	Stage 3	197.37	180.97	16.40	39.47	141.50
1 to 3 years	Stage 3	54.26	48.58	5.68	16.28	32.30
More than 3 years	Stage 3	8.32	8.28	0.04	4.16	4.12
Subtotal for doubtful		259.95	237.83	22.12	59.91	177.92
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,602.32	900.43	701.90	194.15	706.28
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	8.32	-	-	4.16	4.12
Subtotal		8.32	-	-	4.16	4.12
Total	Stage 1	16,004.93	317.38	15,687.55	64.02	253.36
	Stage 2	788.60	25.81	762.79	3.15	22.66
	Stage 3	1,602.32	900.43	701.90	194.15	710.41
	Total	18,395.85	1,243.62	17,152.24	261.32	986.43

2.46 Disclosures as required by the RBI Notification no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22 October 2021

i) Corporate governance report containing composition and category of directors, shareholding of non-executive directors, etc.: Refer details below

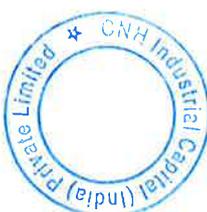
Name of Directors / KPM	DIN	Designation	Date of Appointment	Category of Director	Shareholding
Vishal Chaudhury	09463209	Managing Director	27 January 2022	Executive	-
Daniel James McTaggart	07926746	Director	23 October 2017	Non-Executive	-
Narinder Mittal	07382202	Director	10 February 2023	Non-Executive	-
Magneshwar Prasad Singh	08241412	Director	26 June 2019	Non-Executive	-
Pankaj Gupta	10432477	Director	31 January 2024	Executive	-

ii) Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications: No non-compliance. The Company has not incurred any default in compliance to the provisions of Companies Act, 2013 read with accounting and Secretarial Standards.

iii) Details on the Items of income and expenditure of exceptional nature: No exceptional items

iv) Breach of covenant: There is no instance of breach of covenant on the borrowings and debt securities.

v) Divergence in asset classification and provisioning above a certain threshold to be decided by the Reserve Bank: No, there was no significant divergence in asset classification and provisioning.



CNH Industrial Capital (India) Private Limited
Notes forming part of financial statements for the year ended 31 March 2024
(All amounts are in Rupees Millions except share data and unless otherwise stated)

2.47 During the current year, the company identified frauds committed by two of its employees. In all the cases, employees has misappropriated the cash collected from the customers by not depositing the cash into the Company's account. The Contract with concerned suspected employees have been terminated / ceased by the Company. The Company has taken appropriate action, including, police compliant and other regulatory reporting. There has been no further impact of the above mentioned financial / accounting irregularities in the books of account, as the amount involved and outstanding balance amounting to Rs. 0.39 Millions has been fully provided for in the books of accounts. Company has subsequently approached the Insurance Company to recover the losses. The accumulated outstanding balance (net of recovery) amounting to Rs. 1.84 Millions was provided for in the books of accounts as at the end of the year.

In addition to the above mentioned cases, the Company is subject to the legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial conditions.

2.48 The Ministry of Corporate Affairs (MCA) has issued a notification (Companies (Accounts) Amendment Rules, 2021) which is effective from 1st April 2023, states that every Company which uses accounting software for maintaining its books of account shall use only the accounting software which has a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses a SaaS based ERP as accounting software for maintaining books of account, which has a feature of recording audit trail edit logs facility and that has been operative throughout the financial year for the transactions recorded in the software impacting books of account at application level.

The database of the accounting software is managed by a third-party service provider. Since the Company's ERP is a SaaS-based software, the audit trail at the database level is managed by the service provider and not directly accessible to the Company.

2.49 Previous year figures has been re-grouped/ reclassified to confirm the current period classifications, wherever necessary.

For S S Kothari Mehta & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 000756N N500441



per Vijay Kumar
Partner
Membership No. 092671

Place: New Delhi
Date: 26 June 2024



For and on behalf of the Board of Directors of
CNH Industrial Capital (India) Private Limited



Vishal Chaudhury
Managing Director
DIN No. : 09463209

Place: Gurugram
Date: 26 June 2024



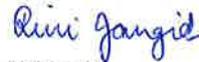
Pankaj Gupta
Additional Director
DIN No. : 10432477

Place: Gurugram
Date: 26 June 2024



Inderjeet Mehta
Chief Financial Officer

Place: Gurugram
Date: 26 June 2024



Rini Jangid
Company Secretary
Membership No. 2408

Place: Gurugram
Date: 26 June 2024



CNH Industrial Capital (India) Private Limited
Annexure A (forming part of the financial statements)
Notes for the year ended 31 March 2024

(All amounts are in Rupees Millions except share data and unless otherwise stated)

(i) Funding concentration based on significant counterparty

Information as required under Appendix I of RBI Circular "RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated 4 November 2019" paragraph 18 of the RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are as follows:

(Amount in Rs. Lakhs)					
S.No.	Particulars	As at 31 March 2024		As at 31 March 2023	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities side:				
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
	(a) Debentures:				
	-Secured	-	-	-	-
	-Unsecured*	-	-	-	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred credits	-	-	-	-
	(c) Term loans	105,246.16	-	123,042.58	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial paper	14,746.13	-	-	-
	(f) Public deposits	-	-	-	-
	(g) Other loans (please specify)	-	-	-	-
	-External Commercial Borrowings	-	-	15,389.05	-
	-Bank overdraft	9,393.14	-	-	-
	-Interest accrued on borrowings (including debt securities)	30.53	-	280.53	-
	* represents bonds				
2	Asset side:			Amount outstanding	
				As at 31 March 2024	As at 31 March 2023
	Break-up of loans and advances including bills receivables (other than those included in (3) below)*:				
	(a) Secured			183,958.54	192,051.70
	(b) Unsecured			-	-
3	Break-up of leased assets and stock on hire and other assets counting towards AFC activities			As at 31 March 2024	As at 31 March 2023
	(i) Lease assets including lease rentals under sundry debtors:				
	(a) Financial lease			-	-
	(b) Operating lease			-	-
	(ii) Stock on hire including hire charges under sundry debtors:				
	(a) Assets on hire			-	-
	(b) Repossessed assets			-	-
	(iii) Other loans counting towards AFC activities:				
	(a) Loans where assets have been repossessed			-	-
	(b) Loans other than (a) above			-	-
4	Break-up of investments			As at 31 March 2024	As at 31 March 2023
	Current investments:				
	1. Quoted:				
	(i) Shares:				
	(a) Equity			-	-
	(b) Preference			-	-
	(ii) Debentures and bonds			-	-
	(iii) Units of mutual funds			-	-
	(iv) Government securities			-	-
	(v) Others (please specify)			-	-



CNH Industrial Capital (India) Private Limited
Annexure A (forming part of the financial statements)
Notes for the year ended 31 March 2024

(All amounts are in Rupees Millions except share data and unless otherwise stated)

Break-up of investments		As at 31 March 2024	As at 31 March 2023		
2. Unquoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and bonds (iii) Units of mutual funds (iv) Government securities (v) Others (please specify) Long term investments: 1. Quoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and bonds (iii) Units of mutual funds (iv) Government securities (v) Others (please specify) 2. Unquoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and bonds (iii) Units of mutual funds (iv) Government securities (v) Others (please specify)		-	-		
5	Borrower group wise classification of assets financed as in (2) and (3) above* :	As at 31 March 2024		As at 31 March 2023	
		Secured	Unsecured	Secured	Unsecured
	Category				
	1 Related Parties:				
	(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-	
(c) Other related parties	-	-	-	-	
2 Other than related parties	183,958.54	-	192,051.70	-	
Total	183,958.54	-	192,051.70	-	
* Gross of expected credit loss provision on loans					
6	Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	As at 31 March 2024		As at 31 March 2023	
		Market value/ Break-up or Fair value or NAV	Book value (net of provision)	Market value/ Break-up or Fair value or NAV	Book value (net of provision)
	Category				
	1 Related Parties:				
	(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-	
(c) Other related parties	-	-	-	-	
2 Other than related parties	-	-	-	-	
Total	-	-	-	-	
7	Other information	As at 31 March 2024		As at 31 March 2023	
	(i) Gross Non-Performing Assets*				
	(a) Related parties	-	-	-	-
	(b) Other than related parties	16,022.71	-	21,187.75	-
	(ii) Net Non-Performing Assets				
(a) Related parties	-	-	-	-	
(b) Other than related parties	7,018.88	-	8,561.28	-	
(iii) Assets acquired in satisfaction of debts	-	-	-	-	
*Gross non performing assets represents loans classified as Stage 3 loans.					
*Net non performing assets represents Gross Non Performing assets less net off expected credit loss provision thereon.					

