July 2, 2024

National Stock Exchange of India Limited
Exchange Plaza
C-1, Block G, Bandra Kurla Complex
Bandra (E), Mumbai - 400 051

Through: NEAPS

Symbol: ASHOKLEY

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Through: BSE Listing Centre

Scrip Code: 500477

Dear Sir/Madam,

Submission of Annual Report for the year 2023-24

The Seventy Fifth Annual General Meeting (AGM) of the Company is scheduled to be held through Video Conferencing ("**VC**")/ Other Audio-Visual Means ("**OAVM")** on **Thursday, July 25, 2024** at **3.00 p.m.**

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report for the year 2023-24 along with AGM Notice sent to the shareholders.

Kindly take the above on record.

Thanking you,

Yours faithfully,
for Ashok Leyland Limited

NATARAJAN
RAMANATHAN

Digitally signed by NATARAJAN RAMANATHAN
DN: c=IN, o=Personal,
pseudonym=76Ay9IaKzUopoDjMdQaYLKTIH8UEFDer,
2.5.4.20=22ebdb00708268080062bd623ed124446036
31a4a2c6396a6569847037804046,
postalCode=600061, st=Tamil Nadu,
serialNumber=e6c7e692a309c6eac78562d9913f554c2
0235b2382a57b04952b55db37396323,
cn=NATARAJAN RAMANATHAN
Date: 2024.07.02 14:44:53 +05'30'

N Ramanathan
Company Secretary

Encl.: a/a

ASHOK LEYLAND

Koi Manzil Door Nahin

ANNUAL REPORT FY 2023 - 2024

DREAM, DARE, DELIVER!

HINDUJA GROUP

FORWARD - LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to fully appreciate our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set our anticipated results based on management plans and assumptions. We have tried, where possible to identify such statements by using such words as ‘anticipate’, ‘expect’, ‘project’, ‘intend’, ‘plan’, ‘believe’ and words of similar substance in connection with any discussion of future performance.

We cannot, of course, guarantee that these forward-looking statement will be realized, although we believe we have been prudent in our assumptions. Achievement of results is subject to risks, uncertainties, or potentially inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward- looking statements, whether as a result of new information, future events, or otherwise.

* * * * *

CHAIRMAN'S MESSAGE

Dear Shareholders,

I am delighted to inform you that your Company has recorded an all-time best performance across all the product lines, and business units. Although the total industry volume did not surpass the pre Covid levels as we had anticipated, nonetheless the growth trajectory was upward compared to the previous year. On your behalf, I would like to express my warm appreciation to all the members of the Ashok Leyland team for their humongous efforts in achieving historic results. The fact that these have come in our 75th year adds to the pride. The key contributory factors of the overall performance have been superior products backed by singular focus on customer service and the all-round cost reduction enabled by an exemplary teamwork across the Company.

The highlights of your Company's performance include

- ❖ Sale of 116,069 medium & heavy commercial vehicles in the domestic market with a significant milestone reached in the bus segment with your Company emerging as the market leader.
- ❖ Light commercial vehicle sale of 66,633 vehicles was comparable to the previous year with a modest gain in market share. Your Company has moved up a notch becoming the #2 player in the competitive 2-3.5T GVW segment which is commendable.
- ❖ Selling 11,853 units in International Operations, an increase of 5.0% over previous year while overall industry exports from India dropped 16.3% over the previous year. This is despite the challenges of the geo-political situation, political unrest, currency depreciation and inadequate availability of forex in our anchor markets.
- ❖ A record sale of 32,374 engines in Power Solutions Business growing by 41.2% compared to previous year, driven by a strong performance in the agricultural segment.
- ❖ In the Defence business, your Company achieved all-time high revenues continuing to make inroads delivering both completely built-up units and kits.
- ❖ Growth in the aftermarket business by 28.0% over last year
- ❖ Your Company moved up to the 2nd place in Sales & Service Satisfaction, bearing testimony to your Company's customer focused initiatives.

Arising from above feats, I am pleased to advise that your Company has achieved its highest-ever sales revenue of ₹ 38,367Cr, an increase of 6% over the previous fiscal year. Your Company's EBITDA reached an all-time high of ₹ 4,607Cr, a remarkable 57% increase demonstrating exceptional operational efficiency and concerted cost optimization actions.

As all of us know, India's growth story for the next decades has been well charted. The Government is well focused on making India developed country by 2047, our 100th year of independence. The Government has been executing massive infrastructure initiatives over the last 10 years and this is expected to take a further notch up in the coming years. Spurred by these ambitious plans, the Indian commercial vehicle industry is also expected to grow commensurately.

In this backdrop, your Company's constant endeavour is to focus on positioning products that are customer oriented, disruptive and innovative. You will be pleased to note that over 30% of last year sales came from newly launched products. Your Company has established significant presence now in Green Mobility, with our subsidiary Switch Mobility's foray into electric buses and electric light commercial vehicles. Today, there are more than 950 buses deployed on road globally and the order pipeline is constantly growing. Later this year, sales in the European market is planned to begin. Your Company has also recently launched its first ever Boss electric truck and is in advanced stages of launching a fully electric 55T- tractor trailer as well. The EV sector is expected to be buoyant from now on enabled by supportive governmental measures and your Company is well positioned to take advantage of the consequent growth momentum.

Your Company is fully geared to offer clean energy options beyond electric propulsion as well. The CNG and LNG trucks and buses are already operational, initiatives in methanol as a new energy fuel is well underway, and the prototype green hydrogen trucks have been deployed in actual operating conditions. In short, your Company is future-ready to offer a full suite of clean energy vehicles.

The Company's wider mobility ecosystem is reinforced with Ohm, an entity for offering e-MaaS services. Gro, another entity is focused on creating a versatile transport exchange platform is progressing well. An initiative called Re.AL is in process of creating a digital platform for used vehicle business to enable customers resell their vehicles under the Government-mandated vehicle scrappage policy. Your Company is also preparing to launch its first ever Vehicle Scrappage Facility under a franchise model.

Furthermore, the overall strategy is fully aligned with the long-term sustainability agenda of moving forward towards achieving 100% renewable energy by 2030 and Net Zero by 2048. Key rating agencies like Sustainalytics and DFSI have assessed our multiple initiatives spanning energy efficiency, improved disclosures and green mobility, and have duly recognized the progress made by your Company on the sustainability front.

CHAIRMAN'S MESSAGE

As always, your Company's commitment to CSR continues, The Road to School (RTS) Program, launched in 2015, initially covering 35 schools and 3,974 students in Tamil Nadu, now spans 1,719 schools and 1,91,858 students across 7 states including the Road to Livelihood (RTL) which was started in 2022. In a first, the CSR team organised a 'Career Guidance Mela' to enable students to make informed decisions towards a better future.

The people initiatives that have been launched in the recent years by your Company are progressively evidencing a positive culture change within our stakeholder universe, symbolizing what is called the AL-way. I am very confident that a strong foundation has been laid on this front that will shape the future of your Company in the years to follow.

You would agree with me that your Company is today poised well to grab future growth challenges with a very robust product portfolio, a strong technology pipeline, wide and growing network, a strong customer connect, responsive partners and a highly motivated team. I have a strong sense that with these building blocks, your Company is at a striking distance to be the market leader in India and also achieve its Vision to be a global top 10 commercial vehicle player. True to our tagline Koi Manzil Door Nahin! No Dream Too Far!

Thank you for your continuing confidence in us. Not resting on our laurels, I assure you that your Company would continue the success momentum year after year.

Yours sincerely,

Dheeraj G Hinduja
Chairman

21 June 2024

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dheeraj G Hinduja, Executive Chairman

Prof. Dr. Andreas H Biagosch

Dr. C Bhaktavatsala Rao

Jean Brunol

Jose Maria Alapont

Manisha Girotra

Sanjay K Asher

Saugata Gupta

Shom Ashok Hinduja

Dr. V Sumantran
(appointed w.e.f. May 24, 2024)

Thomas Dauner
(appointed w.e.f. June 4, 2024)

Shenu Agarwal, Managing Director & Chief Executive Officer

Gopal Mahadevan, Director – Strategic Finance and M&A
(w.e.f. May 24, 2024)

CHIEF FINANCIAL OFFICER
K M Balaji
(appointed w.e.f. June 1, 2024)

COMPANY SECRETARY
N Ramanathan

MANAGEMENT TEAM

Alok Verma

Amandeep Singh

S Ganesh Mani

Mahesh Thakar

Raja Radhakrishnan

K Ramkumar

Sanjay Saraswat

Sanjeev Kumar

Dr. N Saravanan

G Vinod

STATUTORY AUDITOR
Price Waterhouse & Co Chartered Accountants LLP

COST AUDITOR
Geeyes & Co

BANKERS

Axis Bank

Bank of Baroda

Central Bank of India

Citi Bank N A

DBS Bank

Federal Bank

HDFC Bank Limited

ICICI Bank Limited

IDBI Bank

Standard Chartered Bank

State Bank of India

MUFG Bank Limited

Yes Bank Limited

REGISTERED OFFICE

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

CORPORATE IDENTIFICATION NUMBER

L34101TN1948PLC000105

PLANTS

Tamil Nadu - Ennore (Chennai), Sriperumbudur (Foundry) and Hosur, Maharashtra - Bhandara, Rajasthan - Alwar, Uttarakhand – Pantnagar

Tamil Nadu – Vellivoyalchavadi (Technical Centre), Andhra Pradesh - Vijayawada

WEBSITE

www.ashokleyland.com

REGISTRAR AND SHARE TRANSFER AGENT

Integrated Registry Management Services Private Limited
2nd Floor, Kences Towers

1 Ramakrishna Street, North Usman Road

T. Nagar, Chennai-600 017

Tel- +91 44 28140801/03

Fax- 91 44 2814 2479

Email: einward@integratedindia.in

CONTENTS

A HISTORICAL PERSPECTIVE OF THE COMPANY

₹ Crores

Particulars	2014-15
Sales Volume	
Vehicles (numbers)	1,04,902
Engines (numbers)	14,023
Spare parts and others	1,392
Revenue (Gross sales)	14,486
Profit before tax	442
Profit after tax	335
Assets	
Fixed assets	5,376
Non-Current Investments	2,240
Long term loans and advances	983
Other non-current assets	20
Non-Current Assets	**8,619**
Current Investments	408
Inventories	1,398
Trade Receivables	1,243
Cash and Bank balances	751
Short Term loans and Advances	564
Other current assets	328
Current assets	**4,692**
Total	**13,311**
Financed by	
Share capital	285
Reserves and surplus	4,834
Shareholders funds	**5,119**
Long term borrowings	2,566
Deferred tax liability - Net	510
Long-term provisions and Liabilities	99
Non-current liabilities	**3,175**
Short-term borrowings	25
Trade payables	2,828
Other current liabilities	1,908
Short-term provisions	256
Current liabilities	**5,017**
Total	**13,311**
Basic Earnings Per Share (₹)	1.20
Dividend per share (₹) (Face value ₹ 1 each)	0.45
Employees (numbers)	11,204

A HISTORICAL PERSPECTIVE OF THE COMPANY

As per Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015

₹ Crores

Particulars	2015-16	2016-17	2017-18**	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Sales Volume									
Vehicles (numbers)	1,40,457	1,45,066	1,74,873	1,97,366	1,25,200	1,00,725	1,28,326	1,92,205	1,94,555
Engines (numbers)	15,551	16,491	18,751	21,859	20,359	23,923	20,944	22,925	32,374
Spare parts and others	1,273	1,694	1,950	1,880	1,766	1,703	2,033	2,578	3,469
Revenue (Gross sales)	**19,993**	**21,453**	**26,633**	**29,055**	**17,467**	**15,301**	**21,688**	**36,144**	**38,367**
Profit before tax	**827**	**1,330**	**2,386**	**2,497**	**362**	**(412)**	**528**	**2,110**	**3,792**
Profit after tax	**390**	**1,223**	**1,718**	**1,983**	**240**	**(314)**	**542**	**1,380**	**2,618**
Assets									
Property, Plant and Equipment, CWIP, Right-of-use asset, Goodwill, Tangible and Intangible Assets	4,868	5,177	5,971	6,272	7,398	7,422	6,795	6,437	6,153
Investments	1,980	2,002	2,451	2,637	2,720	3,069	3,522	3,892	5,311
Trade Receivables#	-	-	-	-	1	-	-	1	1
Loans and Other Financial assets	135	182	60	73	102	58	69	97	65
Income tax asset and other non-current assets	610	579	791	1,056	746	450	441	461	419
Non-Current Assets	**7,593**	**7,940**	**9,273**	**10,038**	**10,967**	**10,999**	**10,827**	**10,888**	**11,949**
Inventories	1,625	2,631	1,758	2,685	1,238	2,142	2,075	2,775	3,191
Investments	-	877	3,155	-	-	-	1,298	2,771	249
Trade Receivables	1,251	1,064	945	2,505	1,188	2,816	3,096	4,062	3,570
Cash and Bank balances	1,593	912	1,042	1,374	1,322	823	1,047	501	3,438
Loans and Other Financial assets	196	211	414	487	926	829	996	582	337
Other current assets (including Contract assets)	516	282	749	1,135	749	841	931	941	813
Current assets	**5,181**	**5,977**	**8,063**	**8,186**	**5,423**	**7,451**	**9,443**	**11,632**	**11,597**
Assets classified as held for sale	-	123	-	-	-	-	64	72	66
Total	**12,774**	**14,040**	**17,336**	**18,224**	**16,390**	**18,450**	**20,334**	**22,592**	**23,612**
Financed by									
Equity Share capital	285	285	293	294	294	294	294	294	294
Other Equity	5,123	5,841	6,953	8,039	6,970	6,683	7,043	8,132	8,517
Equity	**5,408**	**6,126**	**7,246**	**8,333**	**7,264**	**6,977**	**7,337**	**8,426**	**8,810**
Borrowings, Lease liabilities and other financial liabilities	1,995	1,194	514	333	1,431	2,625	2,914	1,820	1,182
Deferred tax liability - Net	329	127	298	249	265	171	144	504	556
Other Non-current liabilities and provisions (including Contract liabilities)	152	172	459	520	431	403	391	769	1,008
Non-current liabilities	**2,476**	**1,493**	**1,271**	**1,102**	**2,127**	**3,199**	**3,449**	**3,093**	**2,746**
Borrowings, Lease liabilities and other financial liabilities	1,517	2,172	1,894	1,700	2,651	1,951	1,369	2,367	3,602
Trade payables	2,563	3,117	4,888	5,019	3,037	5,165	6,875	7,175	6,305
Other current liabilities and provisions (incl.Current Tax liabilities-net and Contract liabilities)	810	1,132	2,037	2,070	1,310	1,158	1,292	1,520	2,131
Current liabilities	**4,890**	**6,421**	**8,819**	**8,789**	**6,999**	**8,274**	**9,536**	**11,062**	**12,038**
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-	12	11	17
Total	**12,774**	**14,040**	**17,336**	**18,224**	**16,390**	**18,450**	**20,334**	**22,592**	**23,612**
Basic Earnings Per Share (₹)	1.37	4.24	5.87	6.76	0.82	(1.07)	1.85	4.70	8.92
Dividend per share (₹) (Face value ₹ 1 each)	0.95	1.56	2.43	3.10	0.50@	0.60	1.00	2.60	4.95@
Employees (numbers)	10,352	11,906	11,865	12,133	11,463	10,758	10,101	9,603	9,607

Contract asset and Contract liabilities is applicable from 2018-19.

Right-of-use asset and Lease liabilities is applicable from 2019-20.

Figures may not be strictly comparable due to presentation changes resulting from adoption of IND AS.

#amount is below rounding off norms adopted by the Group.

@Interim dividend declared by the Board during the year.

**Pursuant to amalgamation of three wholly owned subsidiaries of the Company with the Company from April 1, 2017.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Seventy Fifth Annual General Meeting (AGM) of Ashok Leyland Limited will be held on Thursday, July 25, 2024 at 3.00 P.M. IST through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt:

    a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon; and

    b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 together with the Report of Auditors thereon.

2. To confirm the interim dividend of ₹ 4.95 per equity share and consider the same as final dividend for the financial year ended on March 31, 2024.

3. To appoint a Director in place of Mr. Shom Ashok Hinduja (DIN: 07128441) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass the following resolution as a Special Resolution:**

    "**RESOLVED** that pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee, Mr. Saugata Gupta (DIN: 05251806), who was appointed as an Independent Director and who holds office of Independent Director upto November 7, 2024 and being eligible, in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company from November 8, 2024 till November 7, 2029."

5. **To consider and if thought fit, to pass following resolution as a Special Resolution:**

    "**RESOLVED** that pursuant to the recommendation of the Nomination and Remuneration Committee, applicable provisions of the Companies Act, 2013, ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Dr. V Sumantran (DIN: 02153989), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 24, 2024, in terms of Section 161 of the Act, who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

    RESOLVED FURTHER that pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, and pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Dr. V Sumantran (DIN: 02153989), who meets the criteria for independence as provided in Section 149(6) of the Act, read with the Rules made thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, for a term of five years commencing from May 24, 2024 to May 23, 2029, not liable to retire by rotation, be and is hereby approved."

6. **To consider and if thought fit, to pass the following resolution as a Special Resolution:**

    "**RESOLVED** that pursuant to the recommendation of the Nomination and Remuneration Committee, applicable provisions of the Companies Act, 2013, ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Thomas Dauner (DIN: 10642122), who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 4, 2024, in terms of Section 161 of the Act, who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

    RESOLVED FURTHER that pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, and pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Mr. Thomas Dauner (DIN: 10642122), who meets the criteria for independence as provided in Section 149(6) of the Act, read with the Rules made thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, for a term of five years commencing from June 4, 2024 to June 3, 2029, not liable to retire by rotation, be and is hereby approved."

7. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

    "**RESOLVED** that based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company ('Board') and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force), Mr. Dheeraj G Hinduja (DIN: 00133410) be and is hereby reappointed as the Executive Chairman (Whole-time) of the Company, liable to retire by rotation, for a period of two years commencing from November 26, 2024 to November 25, 2026 on remuneration as set out below:

A. FIXED COMPENSATION

Basic Salary, Perquisites, Allowances, Retiral benefits, etc., with liberty to the Nomination and Remuneration Committee and the Board to alter and vary the terms and conditions of the compensation in such manner as may be agreed between the Company and Mr. Dheeraj G Hinduja subject to compensation not exceeding ₹ 12.96 Crores per annum.

B. ANNUAL PERFORMANCE PAY/COMMISSION

In addition, ₹12.96 Crore as Annual Performance Pay and Commission which shall be based on the Company's performance and contributions made by Mr. Dheeraj G Hinduja. The final payment shall be decided by the Nomination and Remuneration Committee and the Board of Directors.

C. OTHERS

- In addition to the above, Mr. Dheeraj G Hinduja will be entitled to other perquisites and allowances as may be mutually decided between the Company and Mr. Dheeraj G Hinduja.
- For calculating the perquisites and allowances, the same shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost incurred by the Company in providing the same.
- Mr. Dheeraj G Hinduja will not be entitled to any sitting fees for attending meetings of the Board or Committees thereof.
- Mr. Dheeraj G Hinduja will be subject to all other service conditions as applicable to any other employee of the Company.

D. OVERALL REMUNERATION

The Nomination and Remuneration Committee and/or Board as it may in its absolute discretion deem fit, revise the remuneration payable to Mr. Dheeraj G Hinduja, during any financial year, during the currency of his tenure of office, in such manner as may be agreed to between the Nomination and Remuneration Committee/Board and Mr. Dheeraj G Hinduja, subject to the condition that the remuneration by way of salary, annual performance pay, perquisites, allowances and other benefits, shall be within the limits as permissible under Section 197, read with Schedule V of the Act.

E. MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits, or its profits are inadequate, the Company will pay to Mr. Dheeraj G Hinduja the above as remuneration subject to such limits and approvals as may be applicable.

RESOLVED FURTHER that for the purpose of giving effect to the foregoing resolutions, the Nomination and Remuneration Committee and the Board of Directors be and are hereby authorised to do all such acts, matters, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

8. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED** that pursuant to the provisions of Sections 196, 197, and other applicable provisions, if any, of the Act including the relevant Rules as applicable and relevant (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Act and pursuant to the recommendation of the Nomination and Remuneration Committee, approval of the Members of the Company be and is hereby accorded to the reappointment of Mr. Gopal Mahadevan, (DIN: 01746102) as Whole-time Director ("WTD"), liable to retire by rotation, designated as "Director – Strategic Finance and M&A" for a period of two years from May 24, 2024 to May 23, 2026 on the following terms and conditions:

A. FIXED COMPENSATION

Basic Salary, Perquisites, Allowances, Retiral benefits, etc.: ₹ 5.01 crore per annum with liberty to the Nomination and Remuneration Committee and the Board of Directors to alter and vary the terms and conditions of the fixed compensation in such manner as may be agreed between the Company and the WTD. The annual increments will be decided and approved by the Nomination and Remuneration Committee and the Board of Directors based on his and the Company's performance.

B. ANNUAL PERFORMANCE PAY/COMMISSION

In addition, ₹ 3.34 Crores as Annual Performance Pay and Commission which shall be based on the Company's performance and contributions made by the WTD. The final payment shall be decided by the Nomination and Remuneration Committee and the Board of Directors.

C. OTHERS

a) Perquisites, allowances, insurance, retiral benefits including Gratuity and Provident Fund, etc., shall be as per the Policy of the Company.

b) Club fee as per Company Policy in force, as applicable to the Senior Management personnel of the Company.

c) For the purpose of calculating the perquisites and allowances, these shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost incurred by the Company in providing such perquisites and allowances.

d) No sitting fee for meetings of the Board or Committees thereof attended by him during his tenure as WTD.

D. OVERALL REMUNERATION

The Nomination and Remuneration Committee and/or Board may revise the remuneration payable to WTD, during any financial year, during currency of the tenure of office, in such manner as may be agreed to between the Nomination and Remuneration Committee/Board of Directors and WTD, subject to the condition that the remuneration by way of salary, perquisites, annual performance pay, commission, allowances and other benefits, shall be within the limits permissible under Section 197 read with Schedule V of the Act.

E. **MINIMUM REMUNERATION**

Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits, or its profits are inadequate, the Company will pay to WTD the above as remuneration subject to such limits and approvals as may be applicable.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Nomination and Remuneration Committee and/or the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company and settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

9. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED** that pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the remuneration payable to Messers. Geeyes & Co., Cost & Management Accountants, (Firm Registration No. 000044), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year ended March 31, 2024, amounting to ₹7,00,000/- (Rupees Seven lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified."

10. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED** that pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], all other applicable laws and regulations, including but not limited to the relevant provisions of the Companies Act, 2013 as may be applicable, and the Company's Policy on dealing with Related Party Transactions, the approval of the Members, be and is hereby accorded for the Transactions (whether an individual transaction or transactions taken together or series of transactions or otherwise) with TVS Mobility Private Limited, a 'Related Party' of the Company's subsidiary as per Section 2(76) of the Companies Act, 2013, with respect to Sale/ purchase of vehicles / spares / engines / materials/ service / assets / technology, forklift operation & maintenance, other income / expenses (incentive / commission / discount etc.,), reimbursement / recovery of expenditure, warranty recovery / reimbursement / sales promotion / sharing of space etc., for FY 2025-26, for an aggregate value which would be in excess of ₹ 1,000 Crores or 10% of the annual consolidated turnover as per the Company's last audited financial statements, whichever is lower, on such terms and conditions as may be decided by the Board of Directors / Audit Committee from time to time, provided that the said contract(s) / arrangement(s) / transaction(s) shall be carried out at arm's length basis and are in the ordinary course of business of the Company.

RESOLVED FURTHER that the Board of Directors of the Company / the Audit Committee be and is hereby authorized to do and perform all such acts, deeds and things, as may be necessary, including finalizing the terms and conditions, modes and executing necessary documents, including contracts, schemes, agreements, file applications, make representations thereof and seek approval from relevant authorities, if required and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s)."

11. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED** that pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modifications or re-enactment(s) thereof, for the time being in force], all other applicable laws and regulations including but not limited to the relevant provisions of the Companies Act, 2013, as may be applicable, and the Company's policy on dealing with Related Parties, approval of the Members, be and is hereby accorded for the Related Party Transactions with Switch Mobility Automotive Limited as mentioned herein below (whether an individual transaction or transactions taken together or series of transactions or otherwise) for the FY 2024-25, the aggregate value of all transactions together which would / may exceed ₹ 1,000 Crores or 10% of the annual consolidated turnover as per the Company's last audited financial statements, whichever is lower, on such terms and conditions as may be decided by the Board of Directors/Audit Committee from time to time, provided that such contract(s)/ arrangement(s)/ transaction(s) shall be carried out in the ordinary course of business and at arm's length basis.

Related Party Transaction between	Nature of transaction
The Company and its subsidiary – Switch Mobility Automotive Limited	EV Telematics Service Charges, Fee for Corporate Guarantee, Interest income, expenditure, recovery, reimbursement of bank charges, Logistics Income/ Expense Recovery, Recovery / Reimbursement - Resource Sharing, Reimbursement / Recovery of expenditure, Sale / purchase of vehicles / spares / engines / materials/ service / assets / technology / royalty, Sharing of premises, Leasing of facility / machines, Trade Advance, Subcontracting activity, Tooling support / development / testing charges, IT sharing, loans, inter-corporate deposit, providing guarantees, letter of support, letter of comfort, letter of undertaking or any other support etc.

RESOLVED FURTHER that the Board of Directors of the Company/ the Audit Committee be and is hereby authorized to do and perform all such acts, deeds and things, as may be necessary, including finalizing the terms and conditions, modes and executing necessary documents, including contracts, schemes, agreements, file applications, make representations thereof and seek approval from relevant authorities, if required and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient, to give effect to this Resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER that all actions taken by the Board of Directors/Audit Committee in connection with matters referred to or contemplated in the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

12. **To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

"**RESOLVED** that pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], and all other applicable laws and regulations, including but not limited to the relevant provisions of the Companies Act, 2013 as may be applicable, the Company's Policy on dealing with Related Party Transactions, the approval of the Members, be and is hereby accorded for the Transactions (whether an individual transaction or transactions taken together or series of transactions or otherwise) between Switch Mobility Automotive Limited and OHM Global Mobility Private Limited, Company's subsidiaries as per Section 2(76) of the Companies Act, 2013, with respect to Purchase / Sale of Goods, Vehicles and Services, Other expenditure incurred / recovered, Manpower Support Services etc., for FY 2024-25, for an aggregate value which would be in excess of ₹ 1,000 Crores or 10% of the annual consolidated turnover as per the Company's last audited financial statements, whichever is lower, on such terms and conditions as may be decided by the Board of Directors/Audit Committee from time to time, provided that the said contract(s)/arrangement(s)/ transaction(s) shall be carried out at arm's length basis and are in the ordinary course of business of the Company.

RESOLVED FURTHER that the Board of Directors of the Company/ the Audit Committee be and is hereby authorized to do and perform all such acts, deeds and things, as may be necessary, including finalizing the terms and conditions, modes and executing necessary documents, including contracts, schemes, agreements, file applications, make representations thereof and seek approval from relevant authorities, if required and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER that all actions taken by the Board of Directors/Audit Committee in connection with matters referred to or contemplated in the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

13. **To consider and if thought fit, to pass the following resolution as a Special Resolution:**

"**RESOLVED** that pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with the relevant Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] consent of the Members be and is hereby accorded to amend the Articles of Association of the Company such that the existing Clauses 102 and 135(c) of the Articles of Association of the Company be altered and amended as under respectively:

102. Subject to the provisions of the Act, a Director who is neither in the Whole-time employment nor a Managing Director may be paid remuneration either:

(i) By way of monthly, quarterly or annual payments;

(ii) By way of commission if the Company, by an Ordinary Resolution, authorise such payment.

135(c). No investments shall be made or loan or guarantee or security given by the Company unless the resolution sanctioning it is passed at the meeting of the Board with the consent of all directors present at the Meeting and in such manner as prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER that the Board be and is hereby authorised to take such steps and do all such acts, deeds and things as necessary, expedient, usual, proper or incidental in relation to the said matter and take such actions and give such directions as they may consider necessary or desirable to give effect to this Resolution."

By Order of the Board

Chennai
May 24, 2024

N Ramanathan
Company Secretary

Registered Office:
1, Sardar Patel Road, Guindy
Chennai - 600 032
CIN: L34101TN1948PLC000105
Tel: +91 44 2220 6000; Fax: +91 44 2220 6001
E-mail: secretarial@ashokleyland.com
Website: www.ashokleyland.com

NOTES:

1. The Board of Directors had declared an interim dividend of ₹ 4.95 per share for the financial year on March 25, 2024, which was paid to the shareholders on April 18, 2024. In view of this final dividend is not recommended by the Board.

NOTICE TO SHAREHOLDERS

2. The Ministry of Corporate Affairs ('MCA') has vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, read with circular dated September 25, 2023 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC/OAVM.

3. The relevant Explanatory Statement pursuant to Section 102 of the Act, setting out material facts in respect of businesses under item nos. 4 to 13 of the Notice, is annexed hereto. Details pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment / re-appointment at this AGM are also annexed.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. Institutional/Corporate Shareholders (i.e., other than Individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG format) of its Board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution/authorisation shall be sent to the Scrutinizer by e-mail at their registered e-mail address to scrutiniserbc@gmail.com with a copy marked to evoting@nsdl.com.

6. Members are requested to note that, dividends if not encashed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). Further, shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more are also liable to be transferred to the IEPF Authority. In view of this, Members/claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The Members/claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

7. In compliance with the MCA Circulars and SEBI Circular dated October 6, 2023, Notice of the AGM along with the Annual Report for the FY 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for the FY 2023-24 is also available on the Company's website www.ashokleyland.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL – www.evoting.nsdl.com.

8. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before July 15, 2024 through e-mail to secretarial@ashokleyland.com. The same will be replied by the Company suitably.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for inspection from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to secretarial@ashokleyland.com.

10. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Act, read with the Rules made thereunder are requested to send the prescribed Form SH-13 to the Corporate/Registered Office of the Company. Any change or cancellation of the nomination already given is to be submitted in Form SH-14. Form SH-13 and Form SH-14 are available on the Company's website in the Investors Section for download.

11. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number, ECS mandate, nominations, power of attorney, bank account details, etc., to their Depository Participant(s), in case shares are held by them in electronic form and to Integrated Registry Management Services Private Limited ('RTA'), 'Kences Towers', 2nd Floor, No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017, in case shares are held by them in physical form.

12. Members holding shares in physical mode, who have not registered their above particulars are requested to register the same with the Company/RTA in prescribed Form ISR-1. Any clarifications in this regard may be addressed to the RTA at csdstd@integratedindia.in.

13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company/RTA for consolidation into a single folio.

14. As per Regulation 40 of SEBI Listing Regulations, all requests for transfer of securities including transmission and transposition, issue of duplicate share certificate; claim from unclaimed suspense account; renewal/exchange of share certificate; endorsement; sub-division/splitting of share certificate; consolidation of share certificates/folios shall be processed only in dematerialized form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

15. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM, i.e., Thursday, July 25, 2024.

16. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

17. Please note that as per the Income Tax Act, 1961, w.e.f. 01st April 2020 dividend is taxable at the hands of shareholders, subject to certain exemptions based on satisfaction of conditions specified therein. Accordingly, tax has been deducted from the dividend at the prevailing rates with surcharge and cess wherever applicable. Tax amount mentioned above includes Tax + Surcharge + Cess as applicable. In case of resident individual shareholders, tax has been deducted where the aggregate amount of dividend declared during the Financial Year 2023-24 exceeds ₹5,000/- i.e. Final dividend for the Financial Year 2022-23 and Interim dividend declared on March 25, 2024 taken together. This limit of ₹5,000/- is considered at the PAN (Permanent Account Number) level or payee level and not at Folio / Demat Account level.

18. Shareholders who have provided valid PAN and for whom tax at applicable rate has been deducted, can view the credit of TDS in Form 26AS from their e-filing account at https://www.incometax.gov.in/iec/foportal. Please note that the credit in Form 26AS would be reflected after the quarterly TDS Return is filed by the Company and the same is processed by Income Tax Department.

19. As per SEBI Circulars, it is mandatory for shareholders of physical folios to update their PAN, Contact details (postal address with PIN and mobile number), bank account details and Specimen signature of shareholders (‘KYC details’) and Choice of Nomination with RTA for availing any service requests. With effect from April 01, 2024, for shares held in physical mode, dividend declared and paid by the Company, if any, shall be paid only through electronic mode, upon furnishing all the aforesaid KYC details, as may be applicable. Shareholders of such physical folios, wherein any one of the above cited documents/details are not available, would be eligible:

    - to lodge grievance or avail any service request from the RTA only after furnishing the complete documents / details as mentioned above.

    - to payment of dividend in respect of such physical Folios, only through electronic mode with effect from April 01, 2024, upon updation of all KYC details.

    Necessary forms for updating KYC details and Choice of Nomination could be downloaded from the link https://www.integratedregistry.in/KYCRegister.aspx available in the website of RTA.

20. Voting and joining Annual General Meeting through electronic means:

    (i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of the SEBI Listing Regulations, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.

    For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

    (ii) The ‘cut-off date’ for determining the eligibility for voting through electronic voting system is fixed as Thursday, July 18, 2024. The remote e-voting period commences on Monday, July 22, 2024 at 9.00 a.m. IST and ends on Wednesday, July 24, 2024 at 5.00 p.m. IST. During this period, a person whose name is recorded in the Register of Members or in the Register of Beneficiary Owners maintained by the Depositories, as on the cut-off date, i.e., Thursday, July 18, 2024 shall be entitled to avail the facility of remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 18, 2024.

The details of the process and manner for remote e-voting and voting during the AGM are explained below:

Step 1: Access to NSDL e-voting system

Step 2: Cast your vote electronically on NSDL e-voting system

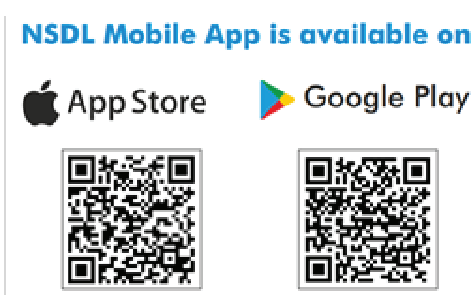
Step 1: Access to NSDL e-voting system

i. LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING FOR INDIVIDUAL MEMBERS HOLDING SECURITIES IN DEMAT MODE

In terms of SEBI circular dated December 9, 2020 on ‘e-voting facility provided by Listed Companies', e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat account(s)/ websites of Depositories/Depository Participant(s) (“DPs”) in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (“ESP”) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Members are advised to update their mobile number and e-mail address in their demat accounts to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**I. NSDL IDeAS facility:** i. In case you are registered with NSDL IDeAS facility, then – a. Please visit https://eservices.nsdl.com either on a personal computer or on a mobile phone. b. The e-Services home page is displayed. On the e-Services home page, click on the '**Beneficial Owner**' icon under **'Login'** which is available under 'IDeAS' section. c. You will have to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services. d. Click on **"Access to e-voting"** under e-voting services and you will be able to see e-voting page. e. Click on options available against company name or e-voting service provider – NSDL and you will be redirected to the NSDL e-voting website for casting your vote during the remote e-voting period or voting during the meeting. ii. If you are not registered for IDeAS e-Services - a. The option to register is available at https://eservices.nsdl.com. b. Select **"Register Online for IDeAS Portal"** or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c. **Upon successful registration, please follow the steps given in point (i) above.** **II. E-voting website of NSDL** a. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. b. Once the home page of e-voting system is launched, click on the 'Login' available under the 'Shareholder/Member' section. c. A new screen will open. You will have to enter your User ID (i.e. your 16-digit demat account number held with NSDL), Password/OTP and a verification code as shown on the screen. d. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. e. Click on options available against company name or e-voting service provider – NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or voting during the meeting. f. Shareholders/Members can also download NSDL Mobile App "**NSDL Speed-e**" facility by scanning the QR code mentioned below for seamless voting experience. 

Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest can login through their user ID and password. The option to reach the e-voting page will be made available without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasitoken/home/login or www.cdslindia.com and click on login icon & New System Myeasi Tab. 2. After successful login of Easi/Easiest, the user will be also able to see the e-voting menu. The menu will have links of e-voting service provider i.e. NSDL. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, the option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration 4. Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the demat Account. After successful authentication, the user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. 2. Once logged in, you will be able to see e-voting option. Once you click on the e-voting option, you will be redirected to NSDL/CDSL depository site after successful authentication, wherein you can see e-voting feature. 3. Click on the options available against company name or e-voting service provider - NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use 'Forget User ID' and 'Forget Password' option available at abovementioned website.

HELPDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE FOR ANY TECHNICAL ISSUES RELATED TO LOGIN THROUGH DEPOSITORY i.e. NSDL AND CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

II. LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE AND SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE.

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone.

2. Once the home page of e-voting system is launched, click on the icon "Login" available under the 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a verification code as shown on the screen.

4. Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log in to NSDL e-services using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically on NSDL e-voting system.

5. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example: if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example: if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in physical form	EVEN Number followed by Folio Number registered with the Company For example: if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

6. Password details for shareholders other than Individual shareholders are given below:

   a. If you are already registered for e-voting, then you can user your existing password to login and cast your vote.

NOTICE TO SHAREHOLDERS

b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' for the system to prompt you to change your password.

c. How to retrieve your 'initial password'?

If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit Client ID for NSDL account or the last 8 digits of Client ID for CDSL account or Folio Number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

7. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:

   a. Click on 'Forgot User Details/Password?'(If you hold shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b. Physical User Reset Password?" (If you hold shares in physical mode) option available on www.evoting.nsdl.com.

   c. If you are still unable to get the password by the aforesaid two options, you can send a request to evoting@nsdl.com mentioning your demat account number/Folio number, your PAN, your name and your registered address.

   d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

8. After entering your password, tick on 'Agree with Terms and Conditions' by selecting on the check box.

9. Now, you will have to click on 'Login' button.

10. After you click on the 'Login' button, the homepage of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

1. After successfully logging in following Step 1, you will be able to see the EVEN of all companies in which you hold shares and whose voting cycle and General Meeting is in active status.

2. Select the EVEN of Ashok Leyland Limited, to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-voting as the voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and 'Confirm' when prompted.

5. Upon confirmation, the message 'Vote cast successfully' will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the 'Print' option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR MEMBERS

1. Institutional/Corporate Shareholders (i.e., other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG format) of its Board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution/authorisation shall be sent to the Scrutinizer by e-mail their registered e-mail address to scrutiniserbc@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on 'Upload Board Resolution/Authority Letter' displayed under 'e-voting' tab in their login.

2. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available in the download section of www.evoting.nsdl.com or call the toll free number: 1800 1020 990/1800 224 430 or send a request to evoting@nsdl.com, or contact Amit Vishal, Assistant Vice President, or Pallavi Mhatre, Senior Manager, National Securities Depository Ltd., at the designated email IDs: evoting@nsdl.com or AmitV@nsdl.com or pallavid@nsdl.com to get your grievances on e-voting addressed.

PROCESS FOR THOSE MEMBERS WHOSE E-MAIL ADDRESS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

1. In case shares are held in physical mode, please provide folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to csdstd@integratedindia.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to csdstd@integratedindia.in.

3. If you are an Individual Member holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

4. Alternatively, Members may send a request to evoting@nsdl.com for procuring user ID and password for e-voting by providing above mentioned documents.

5. In terms of SEBI circular dated December 9, 2020, on e-voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for **'Access to NSDL e-voting system'**. The link for VC/OAVM will be available in 'Shareholder/Member login' where the EVEN of the Company will be displayed. After successful login, Members will be able to see the link of 'VC/OAVM' placed under the tab **'Join General meeting'** against the Company's name. On clicking this link, Members will be able to attend the AGM. Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID/Password may retrieve the same by following the remote e-voting instructions mentioned above in the notice, to avoid last minute rush.

2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

3. Members may join the Meeting through Laptops, Smartphones and Tablets. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer, MS Edge or Firefox. Please note that participants connecting from Smartphones or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

4. Members who would like to express their views or ask questions during the AGM need to pre-register themselves as a Speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at secretarial@ashokleyland.com from July 15, 2024 (9:00 a.m. IST) to July 17, 2024 (5:00 p.m. IST). Those Members who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM:

1. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/shareholders, who will be present at the AGM through VC/OAVM facility and have not cast their vote on the Resolution(s) through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

3. Members who have cast their vote through remote e-voting prior to the AGM will be eligible to attend the AGM. However, they shall not be entitled to cast their vote again.

4. The details of the persons who may be contacted for any grievances connected with the facility for e-voting during the AGM shall be the same as mentioned for remote e-voting.

OTHER GUIDELINES FOR MEMBERS:

1. Any person holding shares in physical form and non-individual shareholders who acquires shares of the Company and becomes a Member after the Company sends the Notice by e-mail and thereafter holds shares as on the cut-off date i.e., July 18, 2024, may obtain the User ID and password by sending a request to csdstd@integratedindia.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com. Individual shareholders holding securities in demat mode, who acquire shares of the Company and becomes a Member after the Company sends the Notice by e-mail and thereafter holds shares as on the cut-off date i.e., July 18, 2024, may follow the steps mentioned in the e-voting instructions.

   A person who is not a Member as on the cut-off date is requested to treat this Notice for information purpose only.

2. The Company has appointed B Chandra & Associates, Practising Company Secretaries (Firm Reg. No. P2017TN065700), Chennai, as the Scrutinizer to scrutinize the voting during the meeting and the remote e-voting process, in a fair and transparent manner.

3. The Scrutinizer shall after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

4. As per Regulation 44 of the SEBI Listing Regulations, the results of the e-voting are to be submitted to the Stock Exchanges within two working days of the conclusion of the AGM. The results declared along with Scrutinizer's report will be placed on the Company's website www.ashokleyland.com and the website of NSDL www.evoting.nsdl.com. The results will also be communicated to the Stock Exchanges.

Explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act')

As required under Section 102 of the Act, the following Explanatory Statement sets out all material facts relating to the businesses mentioned under Item Nos. 4 to 13 of the accompanying notice.

Item No. 4

Mr. Saugata Gupta (DIN:05251806) was appointed as an Independent Director on the Board of the Company for a period of 5 years commencing from November 8, 2019 pursuant to the provisions of Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014. He holds office as Independent Director of the Company till November 7, 2024.

NOTICE TO SHAREHOLDERS

The Nomination and Remuneration Committee (NRC) and the Board of Directors, based on the report of performance evaluation of Independent Directors, has recommended the re-appointment of Mr. Saugata Gupta (DIN:05251806) as an Independent Director, not liable to retire by rotation, for a second term of five consecutive years on the Board of the Company from November 8, 2024 to November 7, 2029.

The Board, considers that, given his background, experience and contribution, the continued association of Mr. Saugata Gupta (DIN: 05251806) would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to reappoint Mr. Saugata Gupta as Independent Director of the Company.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing his candidature for the office of Independent Director.

The Company has received declarations from Mr. Saugata Gupta to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and is not disqualified from being appointed as Director in terms of Section 164 of the Act. In terms of Regulation 25(8) of SEBI Listing Regulations, Mr. Saugata Gupta has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. The Company has received the requisite consent and disclosures from Mr. Saugata Gupta relating to his appointment.

A brief profile of Mr. Saugata Gupta is given below:

Mr. Saugata Gupta is the Managing Director & Chief Executive Officer of Marico Limited (Marico). He joined Marico in 2004 as the Head of Marketing, was elevated to CEO of India Business in 2007 and the CEO of the global business in 2013. In 2014, he took over as Managing Director of the Marico.

A dynamic leader, Mr. Saugata Gupta is responsible for driving the Marico's growth and strengthening its presence both nationally and internationally. He has helped transform Marico into a high performing business with consistent, profitable and sustainable growth and best in class governance. Under his guidance, Marico today has expanded its presence in 25 countries spread across emerging markets of Asia and Africa. Marico recorded a turnover of USD 1.2 billion in FY 2023-24 and its market capitalisation touched USD 10 billion in June 2024.

During this period, Marico has been recognised across various forums for its commitment to governance, sustainability and accountability in business operations. Marico ranked amongst top 3 FMCG companies in the CRISIL ESG performance score for three consecutive years and featured in the 'Leadership' category on the IFC-BSE-IiAS Indian Corporate Governance Scorecard for four consecutive years. Marico was awarded the Economic Times Corporate Citizen of the year 2022 and also recognized as one of the Best Managed Companies India 2023 by Deloitte, India. Marico's MSCI rating continued at AA. Marico was recognised as one of the 'Best Employers' as per the Kincentric Best Employers Study and featured amongst the 'Top 50 Companies with Great Managers' in India as per the People Business - Companies with Great Managers study.

Mr. Saugata Gupta was ranked #4 and #47 in the FMCG sector and Pan-India respectively in the Business Today PWC list of India's Top 100 CEOs in 2017 and was ranked as 'India's Most Valuable CEOs' by Businessworld in 2016 and 2018. He has been recognised as the Best CEO - Private Sector at Forbes India Leadership Awards 2019. He was also featured in the top 100 Business Leaders List 2020 by Impact Digital Power 100 and in 2021. He was recognized as one of India's best leaders in the times of crisis 2021 by Great Places to Work. Mr. Saugata Gupta has been awarded the Distinguished Alumni Award 2022 by Indian Institute of Management, Bangalore.

In the opinion of the Board, Mr. Saugata Gupta fulfills the conditions specified in the Act, Rules and SEBI Listing Regulations for re-appointment as an Independent Director and that he is independent of the management of the Company. He possesses appropriate skills, experience, knowledge and capabilities required for the role of Independent Director.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Saugata Gupta as an Independent Director is being placed before the Members for their approval.

Except Mr. Saugata Gupta and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set forth in Item No. 4.

The Board recommends the Special Resolution as set out in Item No. 4 of this Notice for approval by the Members of the Company.

Item No. 5

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors have appointed Dr. V Sumantran (DIN: 02153989) as an Additional Director and as an Independent Director, not liable to retire by rotation, for a term of five years from May 24, 2024 to May 23, 2029, subject to approval of the Members.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing his candidature for the office of Director. The Company has received declarations from Dr. V Sumantran (DIN: 02153989) to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and is not disqualified from being appointed as Director in terms of Section 164 of the Act. In terms of Regulation 25(8) of SEBI Listing Regulations, Dr. V Sumantran has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. The Company has received the requisite consent and disclosures from Dr. V Sumantran relating to his appointment. In the opinion of the Board, Dr. V Sumantran fulfills the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as an Independent Director, that he is independent of the management of the Company. He possesses appropriate skills, experience, knowledge and capabilities required for the role of Independent Director.

A brief profile of Dr. V Sumantran (DIN: 02153989) is given below:

Dr. V. Sumantran is Chairman of InterGlobe Aviation Ltd. (IndiGo Airlines) and a Designated Partner of Celeris Technologies LLP. He also serves as Board Director or Advisor for several organisations in autos, industrials, electronics and technology in USA, Europe and Asia. He is actively engaged across the spectrum of corporations, start-ups, academia and non-profits.

He is the co-author of the book "Faster, Smarter, Greener: The Future of the Car and Urban Mobility" (www.fastersmartergreener.com) published by the MIT Press. From November 3, 2011 to March 31, 2014 he was Non-Executive Vice Chairman of Ashok Leyland Ltd. Earlier, he was Board Director and chief executive officer of TATA Motors' Car business. Prior to this, Dr. V Sumantran had a 16-year career with General Motors USA, starting at their R&D Center in Detroit and subsequently as a Director of Advanced Engineering at GM-Europe.

Dr. V Sumantran has served on the Science Advisory Council of the Prime Minister of India and the Scientific Advisory Committee to the Cabinet of the Indian Government.

Dr. V. Sumantran has a Ph.D. in Aerospace Engineering and a Master's degree in Management of Technology. He was awarded the Distinguished Alumnus Award by the Indian Institute of Technology, Madras. He is a Fellow of the Society of Automotive Engineers International (SAE) and a Fellow of the Indian National Academy of Engineers. He is also an Honorary Professor at IIT Delhi.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the appointment of Dr. V Sumantran (DIN: 02153989) as an Independent Director is being placed before the Members for their approval.

Except Dr. V Sumantran and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set forth in Item No. 5.

The Board recommends the Special Resolution as set out in Item No. 5 of this Notice for approval by the Members of the Company.

Item No.6

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Thomas Dauner (DIN: 10642122) as an Additional Director and as an Independent Director, not liable to retire by rotation, for a term of five years from June 4, 2024 to June 3, 2029, subject to approval of the Members.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing his candidature for the office of Director. The Company has received declarations from Mr. Thomas Dauner (DIN: 10642122) to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and is not disqualified from being appointed as Director in terms of Section 164 of the Act. In terms of Regulation 25(8) of SEBI Listing Regulations, Mr. Thomas Dauner has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. The Company has received the requisite consent and disclosures from Mr. Thomas Dauner relating to his appointment. In the opinion of the Board, Mr. Thomas Dauner fulfills the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as an Independent Director, that he is independent of the management of the Company. He possesses appropriate skills, experience, knowledge and capabilities required for the role of Independent Director.

A brief profile of Mr. Thomas Dauner (DIN: 10642122) is given below:

Mr. Thomas Dauner, a German national, has completed his BA European Business Administration (London & Reutlingen) from ESB Business school. He is a renowned expert in the automotive and industrial goods space with about three decades of experience. He has advised leading global companies, including PE firms on expanding shareholder value, business portfolio moves, strategy, performance and ESG issues. He has led several successful large transformation programs with significant share price uplift. He has work experience in Europe, USA, Japan, India, China and Brazil.

As part of his association with Boston Consulting Group (BCG) since 1995, he was instrumental in achieving strong growth as leader of BCG's largest industry practice and has played a key role in shaping BCG's ESG and Digital/AI agenda.

Mr. Thomas Dauner has been a Member of BCG's global management team, BCG's Board of Directors, BCG's Digital Ventures Board and on the Advisory Board of ESB Business School Reutlingen.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the appointment of Mr. Thomas Dauner (DIN: 10642122) as an Independent Director is being placed before the Members for their approval.

Except Mr. Thomas Dauner and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set forth in Item No. 6.

The Board recommends the Special Resolution as set out in Item No. 6 of this Notice for approval by the Members of the Company.

Item No. 7

Mr. Dheeraj G Hinduja (DIN: 00133410) was appointed as the Executive Chairman (Whole-time) of the Company for period of Three years from November 26, 2021 to November 25, 2024. He holds office as the Executive Chairman (Whole-time) of the Company till November 25, 2024.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on May 24, 2024 re-appointed Mr. Dheeraj G Hinduja (DIN: 00133410) as the Executive Chairman (Whole-time) of the Company, liable to retire by rotation, for period of two years from November 26, 2024 to November 25, 2026, subject to the approval of the shareholders at this Annual General Meeting.

A brief profile of Mr. Dheeraj G Hinduja is given below:

Mr. Dheeraj G Hinduja holds a B.Sc. (Hons) degree in Economics & History from the University College, London, 1993. He has completed his Master's in Business Administration with specialisation in Project Management from the Imperial College, London University, 1994. Mr. Dheeraj G Hinduja is an entrepreneur, representing a global business conglomerate – Hinduja Group. His areas of expertise include multi-sectoral global business portfolio strategies, building and transforming organisations, attracting and nurturing best-in class Boards and Management talents, creating world class CSR interventions, etc.

He is associated with many business sectors including automotive, engineering, power, information technology, etc. He also provides Social Sector leadership in Education, Nutrition, Healthcare, Preservation of cultural heritage, etc. He is currently the Chairman of Board of Ashok Leyland Limited, Hinduja Leyland Finance Limited, Hinduja Tech Limited, Gro Digital Platforms Limited, Switch Mobility Automotive Limited, Hinduja Housing Finance Limited, and Co-Chairman of Hinduja Automotive Limited.

Considering Mr. Dheeraj G Hinduja association with the Company, his business acumen, the Nomination & Remuneration Committee and the Board feels that it would be in the best interest of the Company to continue his appointment as the Executive Chairman of the Company for a period of two years from November 26, 2024 to November 25, 2026. Required consent and disclosure forms have been received from Mr. Dheeraj G Hinduja.

The terms contained in the resolution shall constitute the written memorandum setting out the terms of appointment.

Except Mr. Dheeraj G Hinduja and his relatives (as defined in Companies Act, 2013), none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set forth in Item No. 7. The Board recommends the Ordinary Resolution as set out in Item No. 7 of this Notice for approval by the Members of the Company.

Item No. 8

Mr. Gopal Mahadevan, (DIN: 01746102) joined the Company in July 2013 as CFO and was appointed as Whole-time Director ("WTD") and Chief Financial Officer of the Company for period of 5 years from May 24, 2019 to May 23, 2024.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on May 24, 2024 has reappointed Mr. Gopal Mahadevan as Whole-time Director ("WTD") designated as "Director – Strategic Finance and M&A" of the Company for period of two years from May 24, 2024 to May 23, 2026, subject to the approval of the shareholders at this Annual General Meeting. Mr. Gopal Mahadevan brings with him a rich and varied experience of over 35 years across Industries, hence the Board believes that it would be in the interest of the Company to appoint him as Director – Strategic Finance and M&A in the capacity of WTD of the Company. Mr. Gopal Mahadevan has ceased to be the Key Managerial Personnel & Chief Financial Officer of the Company with effect from close of business hours on May 31, 2024.

A Brief profile of Mr. Gopal Mahadevan is given below:

Mr. Gopal Mahadevan is a member of the Institute of Chartered Accountants of India and a qualified Company Secretary with over 35 years' experience in Finance function across a spectrum of industries. Mr. Gopal Mahadevan has had extensive experience in manufacturing, internet services, financial services and project companies. During his career, he has also been involved in restructuring and M&A. He has worked with renowned organisations like Thermax Ltd, Amara Raja Batteries Ltd, Sify, Sanmar Group and TTK Pharma Ltd. He is a member of the board of several companies in Ashok Leyland Group of companies. He has received several awards and recognitions. Mr. Gopal Mahadevan joined Ashok Leyland in July 2013, as CFO and has been one of the core team members leading the turnaround and growth of the Company. He is a Member of the Board of several subsidiaries and associate companies of Ashok Leyland Limited. Earlier to Ashok Leyland Limited, he was Chief Financial Officer at Thermax Ltd and Amara Raja Batteries Ltd. Mr. Gopal Mahadevan has worked in diverse roles in Sanmar Group and was General Manager M&A at Sify Ltd.

In one of the earlier organisations, Mr. Gopal Mahadevan had also handled HR and Strategy as additional responsibilities. Mr. Gopal Mahadevan has received several awards and recognitions including from the Institute of Chartered Accountants of India.

Mr. Gopal Mahadevan holds 1,20,620 equity shares in the Company as on the date of this notice. The terms contained in the resolutions shall constitute the written memorandum setting out the terms of appointment. Approval of the Members is being sought for the appointment of Mr. Gopal Mahadevan as Director – Strategic Finance and M&A in the capacity of WTD, liable to retire by rotation, for a period of 2 years from May 24, 2024 to May 23, 2026 and the remuneration payable to him, as specified in the resolutions.

Except Mr. Gopal Mahadevan and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set forth in Item No. 8.

The Board recommends the Ordinary Resolution as set out at Item No. 8 of this Notice for approval by the Members of the Company.

Item No. 9

Pursuant to the provisions of Section 148 of the Act and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost accounting records of the applicable products of the Company. As per the said Rules, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. The Board of Directors of the Company at its meeting held on May 23, 2023 had considered and approved the appointment of Messers Geeyes & Co., Cost Accountants (Registration No. 000044) as the Cost Auditors of the Company for the financial year 2023-24 on a remuneration of ₹ 7,00,000/- (Rupees Seven lakhs only) plus applicable taxes and out of pocket expenses incurred by them in connection with the audit.

None of the Directors or Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Ordinary Resolution as set out in Item No. 9 of this Notice for approval / ratification by the Members of the Company.

Item No. 10

TVS Mobility Private Limited (TVS Mobility) is one of the prominent dealers of the Company's products for the past many years. TVS Mobility also conducts marketing, sales campaigns for the Company's products from time to time (as a service) which ensures better reach for the Company's products.

Global TVS Bus Body Builders Limited ('GTVS'), subsidiary of the Company is a joint venture between the Company and TVS Mobility. Ashok Leyland Limited (the Company/AL) holds 66.67% and TVS Mobility holds 33.33% of the paid-up capital of GTVS. TVS Mobility is a Related Party under Section 2(76)(viii)(c) of the Act to GTVS by virtue of it being the investing company.

As per the definition of Related Party Transactions under Regulation 2(zc) of the SEBI Listing Regulations, transactions between a listed entity with the related parties of subsidiaries will be a Related Party Transaction to the listed entity. Hence, all transactions between the Company and TVS Mobility shall be treated as a Related Party Transaction.

Further, pursuant to Regulation 23(4) of the SEBI Listing Regulations, transactions with a Related Party where the transaction(s) to be entered individually or taken together with previous transaction(s) during a financial year exceeds ₹ 1,000 Crores or 10% of the annual consolidated turnover as per last audited financial statements, whichever is lower, would be considered as Material Related Party Transactions and such transactions require prior approval of the Members through an Ordinary Resolution.

Considering the quantum of transactions with TVS Mobility during the previous years, the business projections for FY 2025-26 and the market trend, the Company expects that the aggregate value of transactions with TVS Mobility during the FY 2025-26 is estimated to be in the range of ₹ 10,000 Crores to ₹ 11,500 Crores. Hence, approval of the Members of the Company is sought by way of an Ordinary Resolution for the transactions with TVS Mobility, for the FY 2025-26.

Members are requested to note that the transactions between the Company and TVS Mobility would be in the ordinary course of business and at arm's length basis. The particulars of the transaction(s) as required under Regulation 23 of the SEBI Listing Regulations read with SEBI Circular dated November 22, 2021 on disclosure obligations in relation to Related Party Transactions is provided as Annexure to this Notice.

The Audit Committee and the Board of Directors at their respective meetings held on May 23 and May 24, 2024 have recommended the Material Related Party Transactions with TVS Mobility for consideration and approval by the Members. The Audit Committee and the Board of Directors are of the opinion that the arrangements are commercially beneficial to the Company and hence the transactions are in the best interest of the Company.

It may be noted that no related party shall vote to approve this Resolution whether the entity is a related party to the transaction or not. None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way interested or concerned, financially or otherwise in the aforesaid Resolution.

The Board recommends the Ordinary Resolution as set out in Item No. 10 of this Notice for approval by the Members of the Company.

Item No. 11

Switch Mobility Automotive Limited (SWITCH) is a step-down subsidiary of the Company, manufacturing and dealing in Electric Vehicles. SWITCH, being a step-down subsidiary of the Company is a Related Party and hence all transactions between the Company and SWITCH are Related Party Transactions.

The Company in the normal course of business undertakes transactions with SWITCH covering sale & purchase of vehicles, spares, engines, materials, assets, technology, rendering and/or availing of services, sharing of resources, issuance of guarantees, loans etc. Pursuant to the Regulation 23(4) of the SEBI Listing Regulations, transactions with a Related Party where the transaction(s) to be entered individually or taken together with previous transaction(s) during a financial year exceeds ₹ 1,000 Crores or 10% of the annual consolidated turnover as per last audited financial statements, whichever is lower, would be considered as Material Related Party Transactions and such transactions require prior approval of the Members through an Ordinary Resolution.

Considering the operational and business requirements of SWITCH and the support required from the Company in the form of loan, Corporate Guarantee/Letter of Comfort/Letter of Support/Letter of Awareness, or whatever name called etc., the Company expects that the aggregate value of transactions between the Company and SWITCH during the FY 2024-25 will be in excess of ₹ 1,000 Crores and is estimated to be in the range of ₹ 4,000 Crores to ₹ 5,000 Crores. Hence, approval of the Members of the Company is sought by way of an Ordinary Resolution for the transactions with SWITCH for the FY 2024-25.

Members are requested to note that the transactions between the Company and SWITCH would be in the ordinary course of business and at arm's length basis. The particulars of the transaction(s) as required under Regulation 23 of the SEBI Listing Regulations read with SEBI Circular dated November 22, 2021 on disclosure obligations in relation to Related Party Transactions is provided as Annexure to the Notice. The Audit Committee and the Board of Directors at their respective meetings held on 23rd and 24th May 2024 have recommended the Material Related Party Transactions with SWITCH for consideration and approval by the Members.

The Audit Committee and the Board of Directors are of the opinion that the Related Party Transactions are in the best interest of the Company.

It may be noted that no related party shall vote to approve this Resolution whether the entity is a related party to the transaction or not.

Except for Mr. Dheeraj G Hinduja, Executive Chairman, Dr. V. Sumantran, Independent Director and Mr. Gopal Mahadevan, Director - Strategic Finance and M&A (by virtue of being Directors in SWITCH), none of the Directors or Key Managerial Personnel of the Company and their relatives, is, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution. The Board recommends the Ordinary Resolution as set out at Item No. 11 of this Notice for approval by the Members of the Company.

Item No. 12

Ohm Global Mobility Private Limited (OHM), a wholly owned subsidiary of the Company is into the business of e-Mobility as a Service (e-MaaS). Switch Mobility Automotive Limited (SWITCH), step down subsidiary of the Company, is into the manufacture and sale of electric vehicles.

The business models of both SWITCH and OHM complement each other and hence, both the entities transact with each other on a regular basis viz., purchase / sale of goods and services, other expenditure incurred / recovered, manpower support services etc.

As per the definition of Related Party Transactions under Regulation 2(zc) of the SEBI Listing Regulations, transactions between a subsidiary and its related parties will be Related Party Transaction to the listed entity. Since SWITCH & OHM are related parties to each other, all transactions between SWITCH and OHM are Related Party Transactions.

Further, pursuant to Regulation 23(4) of the SEBI Listing Regulations, transactions with a Related Party where the transaction(s) to be entered individually or taken together with previous transaction(s) during a financial year exceeds ₹ 1,000 Crores or 10% of the annual consolidated turnover as per last audited financial statements, whichever is lower, would be considered as Material Related Party Transactions and such transactions require prior approval of the Members through an Ordinary Resolution.

Considering the business projections for FY 2024-25, the Company expects that the aggregate value of transactions between SWITCH and OHM during the FY 2024-25 is estimated to be in the range of ₹ 2,000 Crores to ₹ 3,000 Crores. Hence, approval of the Members of the Company is sought by way of an Ordinary Resolution for the transactions between SWITCH and OHM, for the FY 2024-25.

Members are requested to note that the transactions between SWITCH and OHM would be in the ordinary course of business and at arm's length basis.

The particulars of the transaction(s) as required under Regulation 23 of the SEBI Listing Regulations read with SEBI Circular dated November 22, 2021 on disclosure obligations in relation to Related Party Transactions is provided as Annexure to this Notice.

The Audit Committee and the Board of Directors at their respective meetings held on May 23 and May 24, 2024 have recommended the Material Related Party Transactions between SWITCH and OHM for consideration and approval by the Members.

The Audit Committee and the Board of Directors are of the opinion that the arrangements are commercially beneficial to the Company and hence the transactions are in the best interest of the Company.

It may be noted that no related party shall vote to approve this Resolution whether the entity is a related party to the transaction or not.

Except for Mr. Dheeraj G Hinduja, Executive Chairman, Mr. Shom Ashok Hinduja, Director, Dr. V. Sumantran, Independent Director and Mr. Gopal Mahadevan, Director - Strategic Finance and M&A by virtue of being Directors in SWITCH / OHM, none of the Directors or Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 12 of this Notice for approval by the Members of the Company.

Item No. 13

Members may please note that certain clauses in the Articles of Association of the Company requires alignment with the Table F (Model Articles of Association) of the Companies Act, 2013. In this regard, amendments to the following clauses of the Articles of Association are being proposed and recommended to the Members for approval.

Existing Clause of AOA	Revised Clause of AOA	Rationale for change
102. Subject to the provisions of the Act, a Director who is neither in the Whole-time employment nor a Managing Director may be paid remuneration either (i) By way of monthly, quarterly or annual payments with the approval of the Central Government (ii) By way of commission if the Company, by a Special Resolution, authorise such payment	102. Subject to the provisions of the Act, a Director who is neither in the Whole-time employment nor a Managing Director may be paid remuneration either: (i) By way of monthly, quarterly or annual payments; (ii) By way of commission if the Company, by an Ordinary Resolution, authorise such payment	The requirement of approval of the Central Government for payment of remuneration to Whole Time Directors/ Managing Directors has been done away with in the Companies Act, 2013. Hence, the reference to 'Central Government approval' is being deleted. Further, Section 197 of the Companies Act, 2013 provides that the remuneration of Directors other than in the Whole-time employment nor Managing Directors shall be approved by the shareholders by an ordinary resolution, whereas the Articles prescribe a Special Resolution. Hence, the requirement of 'Special Resolution' is replaced with 'Ordinary Resolution' in line with the Companies Act, 2013.
135(c) No investments shall be made or loan or guarantee or security given by the Company unless the resolution sanctioning it is passed at the meeting of the Board with the consent of all directors present at the Meeting and prior approval of public financial institution concerned where any term loan is subsisting, is obtained.	135(c) No investments shall be made or loan or guarantee or security given by the Company unless the resolution sanctioning it is passed at the meeting of the Board with the consent of all directors present at the Meeting and in such manner as prescribed under Section 186 of the Companies Act, 2013.	Section 186 of the Companies Act, 2013, requires the Company to seek the prior approval of a public financial institution (where any term loan is subsisting) prior to making investment or granting loan or guarantee. The said section also carries an exemption from seeking a prior consent, if the total investments/ loans/ guarantees are within the limits prescribed under Section 186 of the Companies act, 2013. This exemption was however not covered in the Company's Articles, hence, causing additional compliance. The relevant clause of the AOA has been amended to be in line with Section 186 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Special Resolution as set out at Item No. 13 of this Notice for approval by the Members of the Company.

By Order of the Board

Chennai
May 24, 2024

N Ramanathan
Company Secretary

Registered Office:
1, Sardar Patel Road, Guindy
Chennai - 600 032
CIN: L34101TN1948PLC000105
Tel: +91 44 2220 6000; Fax: +91 44 2220 6001
E-mail: secretarial@ashokleyland.com
Website: www.ashokleyland.com

ANNEXURE TO THE NOTICE

DISCLOSURE UNDER REG. 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CLAUSE 1.2.5 OF SECRETARIAL STANDARDS ON GENERAL MEETINGS

Name of the Director	Mr. Shom Ashok Hinduja	Mr. Saugata Gupta	Dr. V Sumantran	Mr. Thomas Dauner	Mr. Dheeraj G Hinduja	Mr. Gopal Mahadevan
Date of Birth and Age	October 29, 1990; 33 years	August 10, 1967; 56 years	September 27, 1958; 65 years	March 23, 1969; 55 Years	July 27, 1971; 52 years	May 20, 1966; 58 years
Date of Appointment	November 12, 2021	November 8, 2019	May 24, 2024	June 4, 2024	September 03, 1996	May 24, 2019
Qualifications	Holds a B.A. in Sustainable Development and an M.S. in Sustainability Management from Columbia University, NY.	- Chemical Engineering, IIT Kharagpur - PGDBM from IIM Bangalore.	Holds Ph.D. degrees in Aerospace Engineering and a Master's degree in Management of Technology. He is a Fellow of the Society of Automotive Engineers International and a Fellow of the Indian National Academy of Engineers and is a recipient of Distinguished Alumnus Award from IIT Madras.	Holds BA European Business Administration (London & Reutlingen) from ESB Business school.	Holds a B.Sc. (Hons) degree in Economics & History from the University College, London, 1993 and Masters in Business Administration with specialisation in Project Management from the Imperial College, London University, 1994.	B.Com, FCA
Brief Resume / Experience (including Expertise in Specific functional areas)	Mr. Shom is the President - Alternative Energy and Sustainability Initiatives, at the Hinduja Group. Mr. Shom has led the group's foray into the alternative energy sector and serves as the Chairman of the group's Renewable Energy business. He also drives and participates in execution of Sustainability initiatives globally across various companies of the Group. Under him, the group is venturing into the next generation transformative spaces like Electric Mobility, Battery Technology, and Cyber Security amongst others. He is a prominent contributor in group's strategy development initiatives, risk framework development and investments in start-ups. He's actively involved in Hinduja foundation's philanthropic work in areas of clean water, solar lighting, healthcare, education.	Refer Explanatory Statement of item No. 4.	Refer Explanatory Statement of item No. 5.	Refer Explanatory Statement of item No. 6.	Refer Explanatory Statement of item No. 7.	Refer Explanatory Statement of item No. 8.

Name of the Director	Mr. Shom Ashok Hinduja	Mr. Saugata Gupta	Dr. V Sumantran	Mr. Thomas Dauner	Mr. Dheeraj G Hinduja	Mr. Gopal Mahadevan
Board Membership of other Companies as on date of the Notice	1. Hinduja Renewables Energy Private Limited 2. Gulf Oil Lubricants India Limited (Listed) 3. Switch Mobility Limited, UK 4. Ohm Global Mobility Private Limited	1. Marico Limited, MD & CEO (Listed) 2. Marico Bangladesh Limited* 3. Marico South East Asia Corporation 4. Marico South Africa Consumer Care (Pty) Limited 5. Marico Middle East FZE 6. Marico Innovation Foundation 7. Parachute Kalpavriksha Foundation 8. The Advertising Standards Council of India* 9. Delhivery Limited (Listed)	1. TVS Electronics Limited (Listed) 2. Rane Holdings Limited (Listed) 3. Interglobe Aviation Limited (Listed)* 4. Switch Mobility Autmotive Limited 5. Greaves Electric Mobility Private Limited 6. Switch Mobility Limited, U.K.	Nil	1. Hinduja Tech Limited* 2. Hinduja Housing Finance Limited* 3. Hinduja Leyland Finance Limited* 4. Hinduja Automotive Limited (UK)# 5. Switch Mobility Limited (UK)& 6. Gro Digital Platforms Limited* 7. Switch Mobility Automotive Limited*	1. Hinduja Tech Limited 2. Hinduja Leyland Finance Limited 3. Hinduja Housing Finance Limited 4. Gro Digital Platforms Limited 5. Switch Mobility Automotive Limited 6. Optare Plc, U.K. 7. Lanka Ashok Leyland Limited 8. Ohm Global Mobility Private Limited
Chairmanship(s)/ Membership(s) of Committees of other Companies as on date of the Notice	1. Gulf Oil Lubricants India Limited a) Risk Management Committee – Member	1. Marico Limited: a) Corporate Social Responsibility Committee - Member b) Risk Management Committee - Member c) Stakeholders Relationship Committee – Member 2. Delhivery Limited a) Stakeholders Relationship Committee – Chairman b) Nomination and Remuneration Committee - Chairman	1. Interglobe Aviation Limited a) Audit Committee – Chairman b) Nomination and Remuneration Committee - Member c) Risk Management Committee - Member 2. Rane Holdings Limited – a) Audit Committee - Chairman b) Nomination and Remuneration Committee - Chairman c) Risk Management Committee - Member 3. TVS Electronics Limited a) Audit Committee - Member 4. Greaves Electric Mobility Private Limited a) Audit Committee - Member	Nil	1. Hinduja Tech Limited a) Nomination and Remuneration Committee – Member b) Corporate Social Responsibility Committee – Chairman 2. Hinduja Leyland Finance Limited a) Nomination and Remuneration Committee - Member b) Corporate Social Responsibility Committee – Chairman c) Risk Management Committee – Member	1. Hinduja Tech Limited a) Audit Committee - Member b) Risk Management Committee - Member 2. Hinduja Leyland Finance Limited a) Audit Committee - Member b) Credit Committee - Member c) Asset Liability Management Committee- Member d) Capital Raising Committee -Chairman e) Risk Management Committee - Member

Name of the Director	Mr. Shom Ashok Hinduja	Mr. Saugata Gupta	Dr. V Sumantran	Mr. Thomas Dauner	Mr. Dheeraj G Hinduja	Mr. Gopal Mahadevan
			5. Switch Mobility Limited, U.K. a) Audit Committee - Member b) Governance, Nomination and Remuneration Committee - Member		3. Gro Digital Platforms Limited a) Nomination and Remuneration Committee – Member 4. Switch Mobility Automotive Limited a) Nomination and Remuneration Committee – Member 5. Hinduja Housing Finance Limited a) Nomination and Remuneration Committee – Member b) Corporate Social Responsibility Committee – Chairman c) Risk Management Committee - Member	3. Hinduja Housing Finance Limited a) Credit Committee - Member b) Audit Committee - Member c) Risk Management Committee - Member d) Corporate Social Responsibility Committee - Member 4. Switch Mobility Automotive Limited a) Allotment Committee - Member b) Audit Committee - Member 5. Gro Digital Platforms Limited a) Capital Raising Committee - Member b) Audit Committee - Member 6. Lanka Ashok Leyland Limited a) Audit Committee - Member b) Related Party Transactions Review Committee - Member 7. Optare Plc., U.K. a) Audit Committee - Chairman
Number of shares held in the Company (self and as a beneficial owner) as on the date of the Notice	Nil	NIl	Nil	Nil	Nil	1,20,620 equity shares

Name of the Director	Mr. Shom Ashok Hinduja	Mr. Saugata Gupta	Dr. V Sumantran	Mr. Thomas Dauner	Mr. Dheeraj G Hinduja	Mr. Gopal Mahadevan
Remuneration proposed to be paid	Sitting fees and such amount of commission as may be decided by the Nomination and Remuneration Committee / Board.	Sitting fees and such amount of commission as may be decided by the Nomination and Remuneration Committee / Board.	Sitting fees and such amount of commission as may be decided by the Nomination and Remuneration Committee / Board.	Sitting fees and such amount of commission as may be decided by the Nomination and Remuneration Committee / Board.	As mentioned in the resolution.	As mentioned in the resolution.
Remuneration last drawn	Refer Corporate Governance Report	Refer Corporate Governance Report	Nil	Nil	Refer Corporate Governance Report	Refer Corporate Governance Report
Terms and conditions of appointment	As mentioned in the resolution.	As mentioned in the resolution	As mentioned in the resolution.	As mentioned in the resolution.	As mentioned in the resolution.	As mentioned in the resolution.
Relationship with other Directors or KMP of the Company	Nil	Nil	Nil	Nil	Nil	Nil
Number of meetings of the Board attended during the FY 2023-24	Refer Corporate Governance Report	Refer Corporate Governance Report	NA	NA	Refer Corporate Governance Report	Refer Corporate Governance Report
Listed entities from which the Director has resigned in the past three years	Nil	Nil	Nil	Nil	Nil	Nil

*Chairman of the Board # Co-Chairman of the Board and & Executive Chairman

DISCLOSURE PURSUANT TO SEBI CIRCULAR DATED NOVEMBER 22, 2021

Particulars of the transaction(s) as required pursuant to the provisions of the Act and SEBI Circular dated November 22, 2021 are as under:

Related Party Transaction between	**The Company and TVS Mobility Private Limited**	**The Company and Switch Mobility Automotive Limited (SWITCH)**	**Switch Mobility Automotive Limited (SWITCH) and OHM Global Mobility Private Limited (OHM)**
Relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	TVS Mobility Private Limited is a Related Party under Section 2(76)(viii)(c) of the Act to Global TVS Bus Body Builders Limited (Company's Subsidiary) and hence transactions between the Company and TVS Mobility is a Related Party Transaction pursuant to regulation 2(zc) of SEBI Listing Regulations.	SWITCH is a step-down subsidiary of the Company.	OHM is a Wholly Owned Subsidiary of the Company. SWITCH is a step-down subsidiary of the Company. Hence SWITCH & OHM are fellow Subsidiaries.
Nature, material terms, particulars of the contract or arrangements; and monetary Value	List of transactions - as mentioned in the resolution. Transactions entered between the parties will exceed ₹1,000 crore or 10% of the annual consolidated turnover as per the last audited financial statements, whichever is lower and is estimated to be in the range of ₹ 10,000 to ₹ 11,500 Crores for the FY 2025-26.	List of transactions as mentioned in the resolution - for a value in excess of ₹ 1,000 Crores or 10% of the annual consolidated turnover as per the last audited financial statements, whichever is lower and is estimated to be in the range of ₹4,000 Crores to ₹ 5,000 Crores for FY 2024-25. (Loans / Advances - ₹. 700 Crores, Guarantee / LOA / LOS / ICD - ₹. 2,700 Crores and balance represents routine transactions.)	List of transactions as mentioned in the resolution - for a value in excess of ₹ 1,000 Crores or 10% of the annual consolidated turnover as per the last audited financial statements, whichever is lower and is estimated to be in the range of ₹2,000 Crores to ₹ 3,000 Crores for FY 2024-25.
Tenure of the proposed transaction (particular tenure shall be specified)	One year (2025-26) and recurring in nature	One year (2024-25) and recurring in nature	One year (2024-25) and recurring in nature
The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for an RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	25.1% of AL's Consolidated Turnover for FY 23-24	10.9% of AL's Consolidated Turnover for FY 23-24	6.5% of AL's Consolidated Turnover for FY 23-24
The percentage of the subsidiary company's standalone turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction	Not applicable	1176% of SWITCH's Turnover for FY 23-24	OHM is yet to start full-fledged operations. Therefore, percentage of the OHM's turnover is not applicable. 706% of SWITCH's Turnover for FY 23-24
Whether the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not applicable	The approval is sought for Related Party Transactions with SWITCH which also covers transactions relating to financial commitments in any form like Loans / Advances, Guarantee / LOA / LOS / ICD, etc. made directly or indirectly.	Not applicable
Details of the source of funds in connection with the proposed transaction	Not applicable	Through internal accruals.	Not applicable
Value of transactions between the parties during the FY 2023-24	₹ 4,241 Crores	₹ 1,258 Crores	₹ 97 Crores

Related Party Transaction between	The Company and TVS Mobility Private Limited	The Company and Switch Mobility Automotive Limited (SWITCH)	Switch Mobility Automotive Limited (SWITCH) and OHM Global Mobility Private Limited (OHM)
a) where any financial indebtedness is incurred to make or give loans, inter corporate deposits, advances or investments - nature of indebtedness - cost of funds; and - tenure	Not applicable	Since the financial commitments would be undertaken through internal accruals, value of indebtedness, cost of funds and tenure is not applicable.	Not applicable
b) applicable terms including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured, if secured, the nature of security; and	Not applicable	The terms would be as mutually agreed between the parties. The interest/ fee charged thereon will be in line with the prevailing market rates at the time of issuance and on arm's length basis.	Not applicable
c) the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the related party transactions	Not applicable	Fund based support will be extended to cover capex expenditure (wherever applicable), operating expenditure and working capital requirements. Non-fund-based support will be extended to cover the lenders/ banking facilities and counter guarantees to be given as a parent to end customers.	Not applicable
Justification as to why the RPT is in the interest of the listed entity	TVS Mobility Private Limited is one of the prominent dealers of the Company on pan India basis and hence the transactions with TVS Mobility Private Limited are commercially beneficial and in the best interest of the Company.	SWITCH is in the technology intensive Electric Vehicle business and in its initial few years require support from the Company for its working capital and other business requirements. Further, in addition to the capital support, the Company shall also undertakes transactions viz., purchase/sale of materials, availing/rendering of services, sharing of resources, providing loans, Corporate Guarantee, letter of support, letter of comfort etc., to enable SWITCH manage its business and raise resources at competitive costs. These transactions would support SWITCH in furthering its business interest of executing the orders in hand, will also enable the Company's electric mobility business initiative in the long run and help gain market share and foothold in the future strategy of the Company.	SWITCH is into the manufacture and sale of electric vehicles and OHM is into the business of e-Mobility as a Service (e-MaaS). The business models of both SWITCH and OHM complement each other and hence, both the entities would transact with each other on a regular basis viz., purchase / sale of goods and services, other expenditure incurred / recovered, manpower support services etc., These transactions are commercially beneficial and in the best interest of both the Companies and would ensure furthering business objectives of these subsidiaries in electric mobility and executing orders in hand.
Valuation or any other external party report, if any such report has been relied upon	Not applicable	Not applicable	Not applicable
Name of Director (s) or Key managerial personnel who is related, if any	None	Mr. Dheeraj G Hinduja, Dr. V. Sumantran and Mr. Gopal Mahadevan are Directors on the Board of SWITCH.	Mr. Dheeraj G Hinduja, Dr. V. Sumantran and Mr. Gopal Mahadevan are Directors on the Board of SWITCH. Mr. Shom Ashok Hinduja and Mr. Gopal Mahadevan are Directors on the Board of OHM.

BOARD'S REPORT

To the Members,

PERFORMANCE / OPERATIONS

Your Directors have pleasure in presenting the Annual Report of Ashok Leyland Limited ("AL"/ "the Company") along with the Audited Financial Statements for the financial year ended March 31, 2024.

FINANCIAL RESULTS

(₹ in Crores)

	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from operations	38,367.03	36,144.14	45,790.64	41,672.60
Other Income	246.57	116.14	140.58	107.11
Total Income	**38,613.60**	**36,260.28**	**45,931.22**	**41,779.71**
Profit/(Loss) before tax	**3,792.18**	**2,110.40**	**4,106.07**	**2,264.93**
Less: Tax expenses/(Credit)	1,174.31	730.29	1,409.73	906.11
Profit/(Loss) after tax	**2,617.87**	**1,380.11**	**2,696.34**	**1,358.82**
Balance profit from last year	4,875.14	3,798.94		
Profit available for appropriation	**7,493.01**	**5,179.05**		
Appropriation:				
Dividend paid during the year	(2,216.87)	(293.55)		
Transition adjustment and other adjustment				
Other Comprehensive (Loss)/Income arising from re-measurement of defined benefit plan (net of tax)	(11.10)	(10.36)		
Balance of profit carried to Balance sheet	**5,265.04**	**4,875.14**		
Earnings per share (Face value of ₹ 1/-)				
- Basic (₹)	8.92	4.70	8.46	4.22
- Diluted (₹)	8.90	4.70	8.45	4.21

COMPANY'S PERFORMANCE

The Commercial Vehicle market (M&HCV & LCV) in India was almost flat with 0.6% increase YoY in total industry volumes (TIV) after a strong FY23 when TIV rose by 34.3%. M&HCV segment grew by 3.9% with M&HCV Buses growing by 38% while LCV segment degrew by 1.5%. CV exports industry (exports out of India) degrew for the second year in row by 16.3% over and above 14.8% decrease last year.

Your Company sold 1,16,069 M&HCVs in the domestic market (17,956 M&HCV Buses and 98,113 M&HCV Trucks including Defence vehicles), registering a growth of 1.6% over last year. LCV with sales of 66,633 vehicles was flat compared to the previous year.

Your Company's sale in M&HCV Trucks segment (excluding Defence vehicles) in India degrew by 5.6% to 96,995 units in FY24, compared to 102,753 units in FY23. Your Company's key product launches done in FY24 for M&HCV – Trucks (Domestic) include Ecomet Star 1915, 2820 G45 FES, N2825 EDPTO Transit Mixer. These have helped in consolidating market position in respective segments. Your Company's sale in M&HCV Bus segment (excluding Defence vehicles) in India grew by 67% to 17,956 units in FY24, as compared to 10,764 units in FY23 driven by high volumes of old buses replaced by STUs and post-Covid revival in inter-city & mofussil segments. The key product launches done in FY24 for M&HCV – Bus (Domestic) include Lynx Smart AC & Rear Air Suspension, Oyster Lite Chassis, Viking with H6 NA CNG, Lynx Max. Your Company improved to 2nd place in Sales & Service satisfaction in FY24 and is actively focused on serving the needs of customers throughout the product life-cycle through its Aftermarket offerings. Your Company added 134 new outlets and 1,000+ bays during the year with 15% of FY24 volumes coming from new dealers.

In LCV, your Company achieved sales of 66,633 almost similar compared to last year. During the year, your Company became the #2 player in the 2-3.5T segment overtaking Tata Motors. FY24 saw launch of several new initiatives like Entrepreneur dealerships and support for focus states, all of which will help us in the medium to long term in increasing your Company's market penetration. 27 new dealerships and 118 new secondary outlets were added taking the network coverage to a total of 148 primary & 582 secondary outlets. Your Company launched two new products under the Bada Dost platform - Bada Dost CNG (2.8T) & Bada Dost special anniversary edition (3.5T) & one product under the Dost Family – Dost+ CNG. In International Operations (IO), your Company grew by 5% to 11,853 units in FY24, as compared to 11,289 units in FY23. In FY24, due to the ongoing geo-political conflicts, there was huge pressure on forex in anchor markets. Bangladesh in particular, witnessed a 45% drop in TIV due to political unrest, currency depreciation & acute shortages of forex. In Nepal & Sri Lanka, import restrictions were imposed. On the other hand, GCC TIV grew by 25% supported by prebuy, which made GCC stand out as the bright spot and contributed to 50% of IO volumes. Your Company made significant strides in Africa with distributor appointment in 8 new territories.

Your Company achieved record sales of 32,374 engines in Power Solutions Business growing by 41.2% compared to previous year, mainly driven by strong outperformance in agricultural segment. In defence business, your Company supplied 1,116 units of completely built up units (CBUs) and

818 VFJ kits during the year. Some highlights include Green channel certifications for 6 variants, order receipt for 1,128 nos. FAT 4x4 (Field Artillery Tractor) & 252 nos. GTV 6x6 (Gun Towing Vehicle) under emergency procurement.

Highlights of performance are discussed in detail in the Management Discussion and Analysis Report attached as **Annexure F** to this Report. During the year, there has been no change in the nature of th business of the Company.

SHARE CAPITAL

During the year under review, the Nomination and Remuneration Committee (NRC) had allotted 2,00,000 equity shares of face value ₹1/- each upon exercise of stock options granted under Ashok Leyland Employees Stock Option Plan 2016. Further, the NRC had on May 23, 2024 allotted 1,00,000 equity shares of face value ₹ 1/- each upon exercise of stock options granted under Ashok Leyland Employees Stock Option Plan 2016.

Consequent to the above allotments, the paid-up equity share capital of the Company stands at ₹2,936,427,276/- divided into 2,936,427,276 equity shares of ₹1/- each.

DIVIDEND

The Board of Directors at their meeting held on March 25, 2024 declared an interim dividend of ₹4.95/- per equity share for the financial year ended 31st March 2024 involving an outflow of ₹1,453.48 Crores. The Board at its meeting held on May 24, 2024 has recommended that the interim dividend be confirmed as the final dividend for the FY 2023-24.

The Dividend Distribution Policy framed in line with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is hosted on the Company's website in the link as provided in page no. 72 of this Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

TRANSFER TO RESERVES

Your Company does not propose to transfer any amount to the General reserve out of the profits available for appropriation.

FINANCE

Long term funding

(a) Non-Convertible Debentures (NCDs)

During the year under review, no fresh Non-Convertible Debentures (NCDs) were issued by your Company. NCDs amounting to ₹600 Crores were redeemed during the year.

(b) Rupee Term Loans:

No fresh rupee term loans were availed during the year. Your Company has repaid ₹216.25 Crores on due dates as per the repayment schedule and terms of the loan agreement.

(c) External Commercial Borrowings (ECBs):

During the year under review, your Company has not availed any fresh ECBs. Your Company has repaid ₹288.73 Crores on due dates as per the repayment schedule and terms of the loan agreement.

As at March 31, 2024, Long term borrowings stood at ₹1,771.31 Crores as against ₹2,913.47 Crores on March 31, 2023. Details pertaining to the credit rating of the debt instruments are provided in the Corporate Governance report.

HUMAN RESOURCES

At Ashok Leyland, we take immense pride in offering equal opportunities to individuals regardless of their race, gender, abilities, or background. We consistently nurture talent, equipping them with the necessary skills to excel in their roles. Simultaneously, we remain dedicated to fostering diversity, inclusion, and equity within our workplace. As we look back the last 7 decades, we have prevailed and shown our resilience, largely due to our inherent Values. The Leadership Team, felt that it may be the time to introspect and see if there is a need to repurpose AL - taking into account the dynamic business landscape - and set footprints, for the next 75 years. Senior leadership team got together to reimagine our purpose, values and culture for the future. The leadership team deliberated and defined the Purpose aptly as **"Transforming lives & Businesses through Leadership in Mobility"**. As we pursue this Purpose, we have also identified 5 values that will underscore our Culture fundamentally. These are 1. Trust, 2. Agility, 3. Innovation, 4. Customer Centricity and 5. Partnership. These 5 Values are non-negotiable for Ashok Leyland. When we 'live' them as day-to-day Behaviors" they become our Culture. The Ashok Leyland Way enables us to have a deeper meaning and connect with all our stakeholders. It will act as the glue that binds the Ashok Leyland family much more closely to drive superlative performance and help us command even greater affection from the customers we serve and the wider communities around us.

SOME OF THE KEY PEOPLE INITIATIVES UNDERTAKEN DURING THE YEAR INCLUDE:

- Living the Ashok Leyland way – After cascading the Purpose, Values & Culture to each and every executive, your Company laid the foundation towards building a strong Culture with dedicated leadership involvement, Values based contests, creating excitement through various Value engagements, etc. which led to living the Values. These were also shared and celebrated across your organization through Value based awards, recognitions and values stories in day-to-day affairs from across the organization.

- Future Leadership development – While we continue to run our flagship leadership programs such as AL-Young Talent Program (AL-YTP) & AL-Emerging Leaders Program (AL-ELP), we went a step ahead in creating strong pipelines of leadership at senior levels through curated succession planning and development. This would be taken further into the organization over the coming years to institutionalize succession plans.

- Your organization celebrated 75th year anniversary with participations from across various internal and external stakeholders, leaving a lasting impression. Your organization had various sports and cultural events which commemorated the anniversary and creating sweet memories.

- Employee wellbeing is at the forefront of people management practices at Ashok Leyland. The various sessions around health & wellness, awareness sessions, curated benefits to motivate the employees are all testaments of the same.

- We fostered an atmosphere of recognition and appreciation through specialized events such as Functional Excellence Awards, the Chairman's Awards, and Long Service Awards.

- Successfully signed the Bhandara TPCL LTS and Bonus agreement.
- Bonus / Ex-gratia for FY23 concluded and memorandum of understanding was signed covering 8 manufacturing plants.

EMPLOYEE HEALTH & SAFETY (EHS)

Your Company is dedicated to continuously improving its EHS process maturity to embed it deeply into the Company's culture. All manufacturing plants underwent assessments by CII on EHS process maturity and secured 13 CII EHS awards (3 – Gold, 4 – Silver, 2 – Bronze & 4 – special category). Through active participation in various forums, the Company continually evaluates and enhances its performance to progress further.

The "Manthan 2.0" initiative, initiated by your Company last year focusing on Operational Excellence Company-wide with the aim of 'Zero Harm' is progressing well with a reduction of Occupational injury by 22% in FY24 compared to FY23. Through this initiative, DE-RISK strategy were formed and programmes were implemented to foster a safety culture across Ashok Leyland, resulting in a reduction of risks and incidents of personnel injuries.

The corporate EHS function established last year has been strengthened to form two distinct verticals namely, Environment and Health and Safety. This ensured seamless execution of the EHS system and promote best practices throughout the Company. The Foundry Sriperumbudur and Hosur -3 (CPPS) Plants were identified as model plants and comprehensive actions are underway with commitment at all levels, from frontline workers to senior executives.

Your Company has instituted rigorous monitoring and review mechanism of EHS performance through the EHS council meetings (inclusive of a Board member) on a monthly basis. Environment Metrics are in alignment with short term and long-term goals. Health & Safety is monitored through tracking of leading and lagging indicators.

Progressing on "Zero Harm", your Company initiated a technique of circulating "EHS bites" on various themes to enlighten the larger audience of both employees as well as contractor and other service providers. Top management made it a point to check the awareness level during their visit to various plants.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standard of Corporate Governance. All the Directors and the Senior Management personnel have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company.

The Annual Report of the Company contains a certificate by the Managing Director and Chief Executive Officer (MD & CEO) in terms of SEBI Listing Regulations on the compliance declarations received from the Directors and the Senior Management personnel and is attached as Annexure. The Corporate Governance Report is attached as **Annexure C** to this Report.

The Company has obtained a certificate from a Practising Company Secretary confirming compliance with the Corporate Governance requirements, as per SEBI Listing Regulations. The certificate in this regard is attached as **Annexure D** to this Report.

The certification from MD & CEO / Chief Financial Officer as required under the SEBI Listing Regulations is attached as **Annexure G** to this Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Your Company is committed on efforts to integrate sustainable practices, adapt to changing market dynamics and meet evolving stakeholder expectations while also providing enhanced disclosures that underscores our dedication to various aspects of ESG. Your Company endeavours to be at the forefront of the sustainability agenda by engaging with multiple stakeholders at COP28 and many other leading forums and pioneering several initiatives within its ecosystem. Towards aligning with the ESG vision, focus areas and ESG policy, your Company has identified ESG metrics with specific targets cascaded to functions and businesses and aligned to leadership KRA's.

Ashok Leyland has committed not only on a standalone basis but also on behalf of its subsidiaries ESG commitments of Carbon neutral operations by 2030 and Net Zero by 2048. Your Company empaneled to RE100 by committing to 100% Renewable electricity by 2030 and committed to Science Based Targets Initiative (SBTi) where your Company has given acceptance of intent to set a science-based target.

Your Company has developed multiple technologies to transition towards complete array of alternate fuel products / new Energy such as Battery Electric, Hydrogen ICE, Fuel Cell, LNG and CNG. Your Company showcased an impressive array of future-ready vehicles such as 9m Hydrogen Fuel Cell Bus, AVTR LNG 6×4 Tractor, 55T EV Tractor and Switch IeV4 Electric LCV, 14T Boss Electric Truck in the Bharat Mobility Expo held in February 2024 at New Delhi, India. Towards democratizing zero carbon mobility global EV-only organization, Switch Mobility has clocked over 100 million green kilometers around the globe enriching lives through green mobility. On the sustainable manufacturing front, your Company has focused on sustainable water management initiative towards reducing the water intensity, conducting energy audit, and improving energy productivity, augmenting roof top & solar park capacity, objective assessment of carbon sequestration through afforestation and progressing on zero waste to landfill status. Your Company plans to extend the same to the upstream and downstream processes to the suppliers and dealers in FY25. Your Company has finalised the tie-up with Registered Vehicle Scrapping Facility (RVSF) placing AL in a strategic position on our road to circularity and reducing our environmental footprint.

Towards providing holistic development opportunities, your Company has transformed the lives of 1,91,858 students from 1,719 schools across 7 states as part of the Road to School and Road to Livelihood initiatives.

Your Company's commitment to Corporate Governance goes beyond mere conformity with regulatory and legal mandates. Your Company implemented and disclosed comprehensive set of policies on the website towards improving the transparency. Also, your Company has disclosed the ESG profile in the ESG microsite (ESG world).

Your Company has also focused improved disclosures taking part in the active ESG rating program of S&P Corporate sustainability assessment (DJSI – Dow Jones Sustainability index) and made a 2x improvement in score from 25 in FY22 to 53 in FY23. In addition to this, Sustainalytics has rated your Company with a score of 13.4 which is low risk.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As stipulated under Regulation 34 of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as **Annexure J** to this Report.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 ("the Act") and SEBI Listing Regulations, the Consolidated Financial Statements prepared in accordance with the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India, is attached to this report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has 34 Subsidiaries, 6 Associates and 4 Joint Ventures as on March 31, 2024. Hinduja Leyland Finance Limited ("HLFL") is a material subsidiary of the Company.

During the year under review, the Company had acquired 100% stake of OHM Global Mobility Private Limited (OHM India) from OHM International Mobility Limited, UK, for a nominal consideration of ₹1 Lakh, making it a wholly owned subsidiary of the Company. The Company further invested a sum of ₹299.99 Crores in OHM India during the year.

During the year, the Company and TVS Mobility Private Limited had formed a joint venture Company namely TVS Trucks and Buses Private Limited (TVS Trucks), and the Company had invested a sum of ₹24.95 Crores thereby contributing to the extent of 49.90% of paid up share capital of TVS Trucks.

During the year, the Company had invested a sum of ₹1,200 Crores in Optare Plc., UK, thereby increasing its stake in Optare Plc., to 92.59%.

During the year, the Company had incorporated a wholly owned subsidiary namely, Ashok Leyland Foundation, a company registered under Section 8 of the Act, for carrying out CSR activities.

During FY 2022-23, the Board of Directors of HLFL had approved the Scheme of Merger by absorption of HLFL into NXTDIGITAL Limited (currently NDL Ventures Limited), subject to the receipt of approvals from various statutory and regulatory authorities, respective shareholders and creditors, at a share exchange ratio of Twenty-five equity shares of face value of ₹10/- each of NDL Ventures Limited for every Ten equity shares of face value of ₹10/- each held in HLFL. In this regard, HLFL has obtained a No-Objection Certificate from the Reserve Bank of India. Subsequently, NDL Ventures Limited has also applied to the Reserve Bank of India for registration as a Non-Banking Financial Company (NBFC), which is currently under process.

During the year, the Company had invested an amount of ₹4 Crores in equity shares of Ashley Aviation Limited (AAL), a wholly owned subsidiary, ₹15 Crores in Gro Digital Platforms Limited, a subsidiary, ₹20.37 Crores in equity shares of Ashok Leyland Defence Systems Limited (ALDS), an Associate and ₹3.40 Crores in the equity shares of Vishwa Buses and Coaches Limited, a wholly owned subsidiary.

On April 15, 2024, Hinduja Tech Limited (HTL) had allotted 5,12,12,923 Series A, 0.005% Compulsorily Convertible Preference shares (CCPS) at ₹76.55/- per share totalling to ₹392.03 Crores with voting rights and 10 equity shares at face value of ₹10/- per share and premium of ₹66.55/- per share totalling to ₹765.50 to Gandaraditya Chola. The Company has not sold / purchased any shares in HTL. However, consequent to the issue of above CCPS, the Company's total shareholding (voting rights) in HTL stands reduced to 58.75% from 73.22%, assuming maximum conversion ratio of 1. Further to this, HTL had on April 26, 2024, redeemed 2,39,00,000 Preference shares of ₹10/- issued to the Company.

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies is provided in the notes to the consolidated financial statements. Pursuant to the provisions of Section 129(3) of the Act, read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries, associates and joint ventures in Form AOC-1 is attached to the financial statements of the Company. Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of the subsidiaries are available on the website in the link as provided in page no. 72 of this Annual Report.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website in the link as provided in page no. 72 of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 24, 2024 have re-appointed Mr. Dheeraj G Hinduja as Executive Chairman, liable to retire by rotation, for a period of two years with effect from November 26, 2024, subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM). Further, the Board has also re-appointed Mr. Saugata Gupta as an Independent Director for a second term of five years commencing from November 8, 2024, subject to the approval of the shareholders at the ensuing AGM.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 24, 2024 have appointed Dr. Venkataramani Sumantran (DIN: 02153989) as an Additional Director (Non-Executive, Independent) of the Company w.e.f. May 24, 2024, for a first term of five consecutive years, subject to the approval of the shareholders at the ensuing AGM.

The Nomination and Remuneration Committee at its meeting held on May 23, 2024 has recommended the appointment of Mr. Thomas Dauner as an Additional Director (Non-Executive, Independent) of the Company subject to allotment of Director Identification Number (DIN). The Board of Directors at their meeting held on May 24, 2024 have accorded approval to apply for DIN.

Mr. Shom Ashok Hinduja, Director retires by rotation at the forthcoming AGM and being eligible, offers himself for re-appointment. The resolutions seeking approval of the Members for his re-appointment has been incorporated in the Notice convening the AGM of the Company along with brief details about him.

The Board has re-designated and re-appointed Mr. Gopal Mahadevan as Director - Strategic Finance and Merger & Acquisition, liable to retire by rotation, for a period of two years from May 24, 2024. The re-appointment of Mr. Gopal Mahadevan is subject to the approval of the shareholders at the ensuing AGM. Mr. Gopal Mahadevan would cease to be the Chief Financial Officer of the Company as on the closing hours of May 31, 2024. Based on the recommendation of the Nomination and Remuneration Committee and the Audit Committee, the Board of Directors at their meeting held on May 24, 2024 appointed Mr. K M Balaji as the Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. June 1, 2024.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and they have registered their names in the Independent Directors' Databank. Further, there has been no change in the circumstances which may affect their status as Independent Director during the year. In the opinion of the Board, the Independent Directors appointed are persons of high repute, integrity and possesses the relevant expertise, experience and proficiency. The terms and conditions of appointment of the Independent Directors are placed on the website in the link as provided in page no. 72 of this Annual Report.

The Company has disclosed the Director's familiarization programme on its website in the link as provided in page no. 72 of this Annual Report.

During the year, Non-Executive Directors had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for attending meetings of the Company and and corporate action entitlements in their capacity as Members of the Company. Pursuant to the provisions of Section 2(51) and 203 of the Act, as on the date of this report, the Key Managerial Personnel of the Company are Mr. Shenu Agarwal, Managing Director and Chief Executive Officer, Mr. Gopal Mahadevan, Director - Strategic Finance and Merger & Acquisition and Chief Financial Officer and Mr. N. Ramanathan, Company Secretary.

The term of Prof. Dr. Andreas H Biagosch (DIN: 06570499), Mr. Jean Brunol (DIN: 03044965) and Mr. Sanjay K Asher (DIN: 00008221) as Independent Directors would conclude on July 25, 2024.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) in the preparation of the annual financial statements for the year ended March 31, 2024, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

b) for the financial year ended March 31, 2024, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year ended March 31, 2024;

c) proper and enough care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

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

AUDITORS

Statutory Auditor

The Board of Directors of the Company at their meeting held on May 19, 2022 re-appointed M/s. Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E-300009) (PWC) as the Statutory Auditors of the Company for a second term of five (5) consecutive years from the conclusion of 73rd AGM till the conclusion of 78th AGM and was subsequently approved by the Members at their AGM held on July 29, 2022.

The Statutory Auditor's report to the Members on the standalone and consolidated financial statement for the year ended March 31, 2024 does not contain any qualification, reservation, adverse remark or any disclaimer. During the year, there were no instances of fraud reported by the Statutory Auditors as per Section 143(12) of the Act.

Cost Records and Cost Auditor

During the year under review, in accordance with Section 148(1) of the Act, the Company has maintained the accounts and cost records, as specified by the Central Government. The Board of Directors had appointed M/s. Geeyes & Co., (Firm Registration No.: 000044), as Cost Auditors of the Company, for conducting the audit of cost records for the financial year ended March 31, 2024. The audit is in progress and the report will be filed with the Ministry of Corporate Affairs within the prescribed period.

The remuneration of the Cost Auditors for the FY 2023-24 is placed before the Members for ratification / approval.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its meeting held on November 9, 2023 approved the appointment of Ms. B. Chandra (ACS No.: 20879, CP No. 7859), Company Secretary in Practice, Chennai to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2024.

The Secretarial Audit report for the financial year ended March 31, 2024 is attached as **Annexure H** to this Report. The Secretarial Audit report does not contain any qualification, reservation, adverse remark or any disclaimer.

Pursuant to Regulation 24(A) of SEBI Listing Regulations, the Company has obtained annual secretarial compliance report from Ms. B. Chandra, Company Secretary in Practice, Chennai and the same will be submitted to the Stock Exchanges within the prescribed time. The Secretarial Compliance Report also does not contain any qualification, reservation, adverse remark or any disclaimer.

The Secretarial Audit of HLFL, the material subsidiary for the Financial Year 2023-24 has been duly completed. However, the Secretarial Audit Report is yet to be approved by the HLFL Board. HLFL has confirmed that the Secretarial Audit Report does not contain any qualification or adverse remark in writing.

SECRETARIAL STANDARDS

The Board confirms compliance of the provisions of the Secretarial Standards notified by the Institute of Company Secretaries of India (ICSI).

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with section 134(3) of the Act, the Annual Return as at March 31, 2024 is available on the Company's website in the link as provided in page no. 72 of this Annual Report.

OTHER LAWS

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, your Company has constituted an Internal Complaints Committee to consider and resolve all sexual harassment complaints. Your Company has framed a policy in this regard to ensure a free and fair enquiry process on complaints received from employees about Sexual Harassment, also ensuring complete anonymity and confidentiality of information. During the year under review, there were 2 complaints received / filed pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 out of which 1 has been resolved after following the due process as required under the policy / Act and 1 is pending.

DISCLOSURE UNDER FOREIGN EXCHANGE MANAGEMENT ACT, 1999

Your Company is in compliance with applicable Rules and Regulations of Foreign Exchange Management with regard to Downstream Investments made by it.

BOARD MEETINGS HELD DURING THE YEAR

During the year, ten meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached as **Annexure C** to this Report.

REMUNERATION POLICY

The objective of the Remuneration Policy is to attract, motivate and retain competent individuals that the Company needs, to achieve its strategic and operational objectives, whilst recognising the societal context around remuneration and recognizing the interests of Company's stakeholders.

The Remuneration Policy provides a framework for remuneration of Directors, Key Managerial Personnel, Senior Executives, other employees and workmen.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act is available on the Company's website in the link as provided in page no. 72 of this Annual Report.

PARTICULARS OF EMPLOYEES

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act and the Rules framed thereunder is enclosed as **Annexure B** to the Board's Report.

ASHOK LEYLAND EMPLOYEE STOCK OPTION SCHEMES

During the year under review, the Nomination and Remuneration Committee ('the Committee') of the Company has, by way of Circular Resolution passed on February 28, 2024, approved the allotment of 2,00,000 equity shares of face value ₹1/- each upon exercise of stock options granted under Ashok Leyland Employees Stock Option Plan 2016. Subsequently, the Committee at its meeting held on May 23, 2024, approved the allotment of 1,00,000 equity shares of face value ₹1/- each upon exercise of stock options granted under Ashok Leyland Employees Stock Option Plan 2016.

During the year, Nomination and Remuneration Committee has not granted any options to the employees of the Company under the Ashok Leyland Limited Employee Stock Option Plan 2016 and Ashok Leyland Limited Employee Stock Option Plan 2018 (AL ESOP 2016 and AL ESOP 2018).

Both these Schemes are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Disclosure with respect to AL ESOP 2016 and AL ESOP 2018 of the Company is available on the Company's website in the link as provided in page no. 72 of this Annual Report.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Act and Regulation 17(10) of the SEBI Listing Regulations, the Board of Directors has carried out performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report attached as **Annexure C** to this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT

The particulars of loans, guarantees and investments under Section 186 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the FY 2023-24 are given in Note No. 3.8 of the Notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In compliance with the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions (RPTs) as approved by the Board which is available on the Company's website in the link as provided in page no. 72 of this Annual Report.

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in ordinary course of business and on an arm's length basis and were placed and approved by the Audit Committee. During the FY 2023-24, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the provisions of the Act. Hence, the disclosure of related party transactions in Form AOC-2 is not applicable.

During the FY 2023-24, there were no materially significant transactions with the related parties, which were in conflict with the interests of the Company and that require an approval of the Members in terms of the SEBI Listing Regulations. Suitable disclosures as required under IND AS 24 have been made in Note No. 3.8 of the Notes to the financial statements.

During the year ended March 31, 2024, the approval of the Members was obtained for the material RPTs (under SEBI Listing Regulations) to be entered by the Company with (1) Optare Plc. for the FY 2023-24 (2) Switch Mobility Automotive Limited for the FY 2023-24 (3) TVS Mobility Private Limited for the FY 2024-25 (4) between Optare Plc. and Switch Mobility Limited for the FY 2023-24.

The proposals with respect to Material RPTs (under SEBI Listing Regulations) with Switch Mobility Automotive Limited for the FY 2024-25, with TVS Mobility Private Limited for the FY 2025-26 and between Switch Mobility Automotive Limited and OHM Global Mobility Private Limited for the FY 2024-25 are placed before the Members at the forthcoming AGM for approval.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The Company's CSR policy is available on the Company's website in the link as provided in page no. 72 of this Annual Report. The composition of the CSR Committee is disclosed in the Corporate Governance Report. The initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure I** of this report. During the year under review, the Company spent ₹16.30 Crores on CSR activities which was over and above over the requirement under the Act.

Further, the Board has taken on record the certificate from the head of Financial Management that CSR spends of the Company for FY 2023-24 have been utilized for the purpose and in the manner approved by the Board of Directors of the Company.

COMMITTEES

As at March 31, 2024, the Company has Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Environmental, Social and Governance Committee, Corporate Social Responsibility Committee, Technology and Investment Committee, Shares Committee, Fund-Raising Committee and Committee of Directors for making political contributions.

Details of the composition of the Board and its Committees are provided in the Corporate Governance Report attached as **Annexure C** to this Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations and in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism / Whistle Blower and the same is available on the Company's website in the link as provided in page no. 72 of this Annual Report.

This Policy *inter-alia* provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee. Brief details about the policy are provided in the Corporate Governance Report attached as **Annexure C** to this Report.

DEPOSITS

Your Company has not accepted any deposit within the meaning of provisions of Chapter V of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended March 31, 2024.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

OTHER CONFIRMATIONS

There is no application/proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year under review. Further, there are no instances of one-time settlement with any Bank or Financial Institutions.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

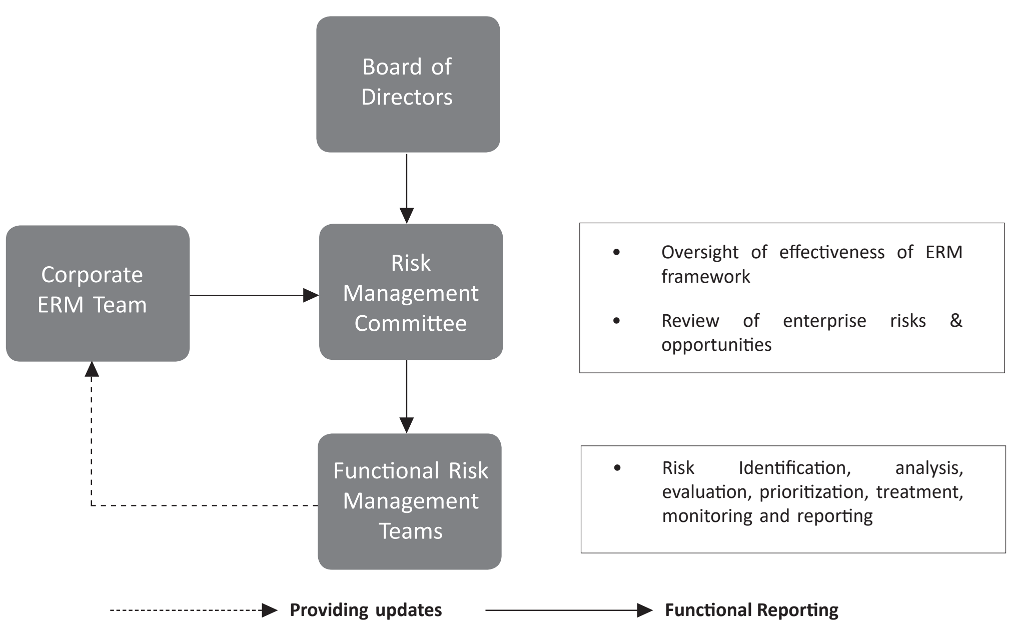
The Company has designed a proper and adequate internal control system to ensure the following viz. a) adherence to Company's policies, b) safeguarding of assets, and c) that transactions are accurate, complete and properly authorized prior to execution. Details are provided in Management Discussion and Analysis Report in **Annexure F** to this report.

RISK MANAGEMENT

Your Company has established a robust Enterprise Risk Management (ERM) framework embodying the principles of COSO ERM framework 2017 and ISO 31000 standard that fosters a sound risk management culture to facilitate informed decision making. This framework has been further enhanced through benchmarking.

The ERM process is overseen by the Risk Management Committee of the Board, which ensures that the Company has an appropriate and effective framework for managing and reporting enterprise risks.

The details of risk management as practised by the Company are provided as a part of the Management Discussion and Analysis Report which is attached as **Annexure F** to this report.



RESEARCH AND DEVELOPMENT, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company taking cognizance of the increase in Global warming and reducing Earth Overshoot Day has taken actions to reduce its foot print in the consumption of all types of resources such as, Energy, Water, Packing materials such as plastics, wood & carton boxes and other raw materials by adapting 5R principles viz., Refuse, Reduce, Reuse, Repurpose and Recycle. Your Company has committed itself to Science Based Target initiatives (SBTi) to become Carbon Neutral in plant operations by 2030 and Net Zero by 2048.

Information as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are furnished in **Annexure A** to this Report.

ACKNOWLEDGEMENT

Your Board takes this opportunity to thank the Company's employees for their dedicated service and firm commitment to pursuing the goals and Vision of the Company. Your Board also wishes to express its appreciation for the continued support of the Government of India, Governments of various States in India, bankers, financial institutions, customers, dealers and suppliers and also, the valuable assistance and advice received from the joint venture partners, Hinduja Automotive Limited, the Hinduja Group and the Members. We look forward to the continued support of all the partners in our progress.

For and on behalf of the Board of Directors

Chennai
24th May 2024

Dheeraj G Hinduja
Executive Chairman

ANNEXURE A TO THE BOARD'S REPORT
PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

A. CONSERVATION OF ENERGY

a) Energy Conservation:

The Company has taken specific initiatives to reduce energy by engaging a dedicated Energy CFT (Cross Functional Team) to identify and implement projects like usage of alternate/renewable resources, green energy, optimizing power consumption, etc.

Over the course of the year, 11.70 million electrical units have been saved, resulting in ₹10.25 Crores of energy cost savings and avoided emission of 8,377 T CO_2e. A dedicated EHS (Environment, Health and Safety) team working on many such initiatives ensured high levels of awareness, energy audits, power quality audits, and brainstorming to accomplish this.

Use of Indian Energy exchange (IEX) power through online bidding has resulted in savings of ₹8.05 Crores by purchasing 51.58 million units which is 16% of total power consumption. All manufacturing plants have optimized and maintained towards unity Power factor.

Your Company had invested ₹4.15 Crores towards Energy Conservation initiatives and has saved 11.70 million kWh during FY24 through energy saving projects, viz.

i. Upgradation of incoming voltage from 22 kV to 110 kV for Hosur 2 and Hosur 3 plants which significantly reduced frequent interruption in the production cycle from twice a day to twice a month. This also eliminated power cuts resulting in avoidance of High Speed Diesel (HSD) usage ~144 KL /month; 390 TCO_2e apart from associated cost savings of INR 100.5 Lakhs per month

ii. Air leak arresting across all plants - Continual process

iii. Modification in compressed air network to optimize the consumption with low pressure dedicated air line for cleaning process (5,57,222 kWh/annum)

iv. Optimization of temperature in furnaces (36,667 kWh/Annum)

v. Maximum demand reduction to 1200 kVA from 1400 kVA at Corporate Office

vi. Technology upgradation – replacement of higher horsepower (HP) motors with lower HP energy efficient motors in machine tools & foundry equipment (92,222 kWh/annum)

vii. Installation of active harmonic filters at foundry plant (3,17,500 kWh/annum)

viii. Introduction of VFD (Variable frequency drive) for fume extraction systems (29,167 kWh/annum)

ix. Conversion of pneumatic operated hoists with electric hoists (1,11,768 kWh/annum)

x. Synchronization of dust collectors with machines at foundry

xi. Installation of dedicated 60CFM (Cubic Feet per minute) compressor exclusively for the roll forming & Soenen to eliminate operation of captive compressor of higher capacities. (4,444 kWh/annum)

xii. Optimization of robot & paint process parameters

xiii. Implementation of productivity improvement projects i.e. cycle time reduction through modifications in machine controls and utilizing advance technology tools

xiv. Usage of Brushless DC motor (BLDC) fans instead of conventional fans (2,03,333 kWh/annum)

xv. Optimization of ETP (Effluent treatment Plant) operations during peak hours (21,944 kWh/ annum)

xvi. Lighting modification (LEDfication) continued at renovated buildings & office areas (12,222 kWh/ annum)

With all the continuous efforts and endeavor on energy conservation, your Company is moving towards carbon neutral in plant operations and becoming a "Cleaner & Greener" organization.

b) Renewable Energy:

Your Company stands at 71% of renewable energy in Tamil Nadu plants. Through this, there is an overall reduction in the cost of production and significant reduction in CO_2 emissions. Your Company's Green Energy initiative realized significant operating cost savings to the tune of ₹32.52 Crores, while also making a very impressive reduction in emissions by 1,35,825 T CO_2e.

In Solar energy, with cumulative 10.14 MW roof top solar power across AL units and 75 MW solar park at Sivagangai District, in Tamil Nadu through Hinduja Renewable Private Limited, 119.75 million units were generated for the FY24 which amounts to 38% of total power consumption. This ensured abatement of 85,741 TCO_2e. With installed capacity of 63 MW windmills, the usage of wind energy was around 22% of the total power consumption at 69.95 million units resulting abatement of 50,080 TCO_2e.

Further, the Company aims to increase the renewable energy share by expansion of solar park (+30 MW) towards the aim of RE100 by 2030.

c) Enhancing the greenery towards carbon neutrality

There has been a strong push to expand green spaces, with a focus on planting more trees within the manufacturing facilities including 29 multilayer dense forests. Phased planting of about 27,941 saplings in FY24, increased cumulative count of trees to ~7 lakhs.

d) Water Conservation

- Ashok Leyland is a 'Water Positive' Company certified by M/s DNV GL.
- AL has made an investment of ₹5.99 Crores Capex to avoid ground water withdrawal by carrying out improvements to conserve 2.77 Lakh KL / Annum

ANNEXURE A TO THE BOARD'S REPORT
PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

- To reduce ground water withdrawal at ALFD Ennore, treated water from AL Ennore has been connected to ALFD (Foundry). (~225 KL per Day potential).
- Ground water consumption has been minimized across all manufacturing units by implementing Rainwater Harvesting and other water efficiency improvements.
- Overall Water recovery through sewage/effluent treatment/ Zero Liquid Discharge (ZLD) enhanced to 68% from 65% (FY23). Plants put the treated water into use both for inland gardening as well as process applications.

e) Towards wood-free Plant

Strategy to avoid usage of wood in vendor logistics by way of reusable, recycled Steel Pallets worked out and being implemented in phased manner. Specifically, at ALFD ESR (Expandable Steel Racks) pallets were introduced in end March to avoid wood packaging (135 Tons/year).

f) Partnering growth with Vendors

Your Company relying on one of its core values "Partnership" constantly engages with various suppliers in enhancing the performance. Seven critical areas were assessed as part of ESG Supply Chain Management: Supplier code of conduct, Supplier ESG Program, Supplier Screening on ESG & Business relevance, Supplier ESG assessment & Development, KPI for Supplier Screening, KPI for Supplier ESG assessment & Development and conflict minerals. Supplier code of conduct and ESG policy that highlights the ESG review mechanism by Board of Directors / Executive management were disclosed publicly. Screening of suppliers on business relevance based on significance of suppliers as strategic partners, listed and other high business specific and based on commodity specific. Supplier partners were engaged and highlighted on our ESG progress and requirements during events like annual strategic partners meet and supplier summit. KPIs for supplier screening and ESG assessment & development were presented. Supplier ESG assessment template with data capture and assessment process enhanced the DJSI score. ESG score has improved to 63 from 10 in the supplier engagement section.

Your Company was also instrumental in educating the suppliers on usage of renewable energy and 4 casting suppliers have gone for usage of Solar Energy.

Awards

Your Company won 18 prestigious EHS Awards in FY24. Plant wise details provided below:

- CII – 24th National Energy conservation award
  - Pant Nagar – Energy efficient unit
- SEEM – 8th National Energy conservation award
  - Pant Nagar – Sustainable Energy Performance – Platinum
  - Ashok Leyland Foundry Division, Sriperumbudur - Sustainable Energy Performance – Platinum
  - Ashok Leyland Foundry Division, Ennore- Sustainable Energy Performance – Gold
- CII 18th National level six sigma Competition
  - Ashok Leyland Foundry Division, Sriperumbudur – Energy conservation – Platinum
- CII SR 3rd - Excellence in water and waste management award
  - Hosur Plant-2 won Excellence in water management
- CCQC – 34th Nagpur Chapter convention of quality circle
  - Bhandara won Green Excellence award
  - Bhandara also Best propagating organization award
- IAQ carbon Emission Reduction (Scope 1) in paint shop at Hosur Plant-2
- CII – Excellence in Environment Management at Hosur Plant-2
- 16th CII International competitiveness and cluster awards New Delhi
  - Pant Nagar – Net zero carbon emissions - Platinum
  - Ashok Leyland Foundry Division, Sriperumbudur - Platinum award winner on "Kaizen Competition".
- CII – NR EHS Excellence Award 2023
  - Pant Nagar – Platinum award on Best Green practices
- ISQ – Quality Sustainability award 2023
  - Pant Nagar – Silver award on Resources reduction in painting process
- Ashok Leyland Foundry Division, Sriperumbudur wins two prestigious awards at the recently held 72nd Indian Foundry congress held at Bangalore
  - Green Foundry of the year 2023
  - Best Kaizen of the year 2023
- National Energy Conservation Award 2023 – Pant Nagar
- CII - EHS Excellence Award 2023 - 7 CII Maturity Awards and 7 special category awards-
  - Platinum Award – Hosur 2
  - Gold Awards – Alwar, Hosur 1, Foundry SPU
  - Silver Awards – CPPS , Bhandara , Ennore
  - Special Category Awards – Alwar (2nos.) , CPPS , Ennore (2 Nos.) , Hosur -2 , Foundry SPU

B. TECHNOLOGY ABSORPTION

No technology was imported by the Company during the last three years.

ANNEXURE A TO THE BOARD'S REPORT
PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

C. RESEARCH AND DEVELOPMENT

1. Specific areas in which R&D was carried out by the Company.

– **Engines and Aggregates**

- Development of engines for alternate fuels equivalent to diesel.
- Development of components for electric powertrain and ADAS.
- Initiation of in-house software control system development.

– **Vehicles**

- Development of alternate fuel variants in Modular AVTR platform.
- Development of Hydrogen based vehicles – ICE & Fuel Cell for technology demonstration.

2. Benefits derived

- New products launched, both Electric powered and Hydrogen powered.
- Alternate fuel vehicles showcased in Bharat Mobility Expo – CNG, LNG, EV & FCEV, leading the path towards green economy.
- Technology absorption for future products.

3. Future plan of action

- Refinement of alternate fuel vehicles for TCO & efficiency.
- New feature development as part of technology road map.

4. Expenditure on Research and Development (R&D)

(₹ in Crores)

Expenditure on R&D	2023-24	2022-23
Capital	93.68	30.08
Revenue (excluding depreciation)	420.85	410.44
Less: Amount received by R&D facilities	(15.60)	(10.86)
Total	**498.94**	**429.66**
Total R&D expenditure as a % of total turnover	**1.30**	**1.19**

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings in foreign currency and expenditure incurred in foreign currency amounts to ₹ 1,663.67 Crores and ₹ 145.98 Crores respectively. The Company continues its efforts to improve its earnings from exports.

ANNEXURE B TO THE BOARD'S REPORT
PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and percentage increase of each Director and Company Secretary in the financial year:**

S. No.	Name of the Director/ KMP	Ratio to median remuneration	% increase in remuneration in the financial year
1.	Mr. Dheeraj G Hinduja	194.38	33.33
2.	Prof. Dr. Andreas H Biagosch	7.86	35.94
3.	Dr. C Bhaktavatsala Rao	8.12	21.44
4.	Mr. Jean Brunol	8.44	37.18
5.	Mr. Jose Maria Alapont	9.31	34.96
6.	Ms. Manisha Girotra	7.36	33.56
7.	Mr. Sanjay K Asher	9.52	38.64
8.	Mr. Saugata Gupta	8.22	31.81
9.	Mr. Shom Ashok Hinduja	7.20	76.46
10.	Mr. Gopal Mahadevan, Director – Strategic Finance and M&A and Chief Financial Officer	82.69	(27.46)*
11.	Mr. Shenu Agarwal, Managing Director and Chief Executive Officer	69.23	NA#
12.	Mr. N Ramanathan, Company Secretary	17.78	(2.42)*

 # Not applicable since Mr. Shenu Agarwal was appointed as MD & CEO during FY 2022-23 w.e.f. December 08, 2022 and hence his remuneration is not comparable.

** Considering the higher variable component paid for the FY 2022-23, the percentage change in remuneration in comparison to the FY 2023-24 is negative.*

b. **The median remuneration for the year 2023-24** is ₹ 12,34,723/-.

c. **The Percentage increase/(decrease) in the median remuneration of the employees in the financial year is** 11.43%.

d. **The number of permanent employees on the rolls of Company:** 9,607

e. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Increase in remuneration is based on remuneration policy of the Company.

f. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

g. Mr. Dheeraj G Hinduja, Co-Chairman of Hinduja Automotive Limited (Holding Company) was in receipt of remuneration on a monthly basis and the same for the period April 1, 2023 to March 31, 2024 was £ 1,40,000.

h. The Board of Directors of Hinduja Leyland Finance Limited, subsidiary, have approved a Commission (for the FY 2023-24) of ₹ 67.71 lakhs for Mr. Dheeraj G Hinduja and ₹ 23.43 lakhs for Mr. Gopal Mahadevan.

i. The statement containing top ten employees in terms of remuneration drawn and particulars of employees as required under Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and has been hosted on the website of the Company www.ashokleyland.com. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary and the same will be provided free of cost to the shareholder.

ANNEXURE C TO THE BOARD'S REPORT
REPORT ON CORPORATE GOVERNANCE

Ashok Leyland's Philosophy on Code of Governance

a. Your Company recognises governance not just as a regulatory requirement but as a fundamental pillar of its organisational ethos. Your Company firmly upholds the conviction that robust governance practices are the bedrock of transparency. This transparency, in turn, is vital for the seamless and efficient functioning of the organization. It not only attracts investments but also deftly balances the interests of all stakeholders, ensuring that shareholder value remains paramount. These practices have enabled your Company to maintain relevant over several decades.

   Your Company belongs to a legacy where the visionary founders of the Group laid the stone for good governance through the philosophies of '**Work to give**' and '**Word is bond**' from the founders of the Hinduja Group. '**Work to give**' refers to the duty to work diligently and to ensure that one gives something back to the stakeholder around. '**Word is bond**' refers to the duty of one to be true to his/her words, enabling one to build trust and confidence amongst stakeholders at large, thereby creating sustainable relationships for life. Thus, the standards of governance are guided by the following principles:

   - Adhering to governance standards beyond the letter of law.
   - Clear and ethical strategic direction and sound business decisions.
   - The effective exercising of ownership.
   - Transparent and professional decision making and disclosures.
   - Excellence in corporate governance by abiding the guidelines and continuous assessment of Board processes and the management systems for constant improvisation.
   - Greater attention is paid to the protection of minority shareholders rights.

   As we move forward, your Company remain committed to these principles, fostering trust, resilience, and sustainable growth.

b. Your Company recognises the rights of all the stakeholders and encourages co-operation between the Company and the stakeholders to enable participation in the corporate governance process. Your Company ensures adequate, timely and accurate disclosure of all material matters including the financial situation, performance, ownership and governance of the Company to the stock exchanges and the investors. Information is prepared and disclosed in accordance with the prescribed standards and is disseminated in a timely manner.

Board of Directors

i. As on March 31, 2024, the Board comprised of eleven Directors. Of the eleven directors, eight (72.73%) are Non-Executive Directors out of which six are Independent Directors including a Woman Director. Mr. Dheeraj G Hinduja is the Executive Chairman. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations and Section 149 of the Act, read with the relevant rules made thereunder.

ii. The number of Directorships, Committee memberships/ chairmanships of all Directors is within the respective limits prescribed under the Act and SEBI Listing Regulations. Necessary disclosures regarding Board and Committee positions in other companies as on March 31, 2024 have been made by all the Directors of the Company.

iii. Your Company has received declarations from all its Independent Directors confirming that they meet the criteria of independence prescribed both under the Act and the SEBI Listing Regulations. The Board at its meeting held on May 24, 2024 has taken on record these declarations received from the Independent Directors. In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in SEBI Listing Regulations and are independent of the Management.

iv. Every Independent Director at the first meeting of the Board in every financial year, give declarations under Section 149(7) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations that he/she meets the criteria of independence as stated in these provisions/clauses.

v. The Independent Directors have included their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

vi. Your Company has issued formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been hosted on the website of the Company.

vii. The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of directorships and Committee chairmanships/ memberships held by them as on March 31, 2024 is given herein below:

ANNEXURE C TO THE BOARD'S REPORT
REPORT ON CORPORATE GOVERNANCE

Name of Director	Category	Number of Board meetings during the year 2023-24		Attendance at last AGM held on July 21, 2023	Number of Directorships in other public limited companies[$]		Number of Directorships in other companies	Number of Committee positions held in other public Companies[&]	
		Held	Attended		Director	Chairman		Member	Chairman
Mr. Dheeraj G Hinduja, Executive Chairman DIN: 00133410	Promoter, Non-Independent Executive	10	9	Yes	5	5	2	-	-
Prof. Dr. Andreas H Biagosch DIN: 06570499	Independent Non-Executive	10	10	Yes	-	-	4	-	-
Mr. Jean Brunol DIN: 03044965	Independent Non-Executive	10	10	Yes	1	-	2	-	-
Mr. Jose Maria Alapont DIN: 07712699	Independent Non-Executive	10	10	Yes	-	-	4	-	-
Ms. Manisha Girotra DIN: 00774574	Independent Non-Executive	10	10	Yes	1	-	4	-	-
Mr. Sanjay K Asher DIN: 00008221	Independent Non-Executive	10	10	Yes	8	-	4	8	2
Mr. Saugata Gupta DIN: 05251806	Independent Non-Executive	10	9	Yes	3	1	6	2	1
Dr. C Bhaktavatsala Rao DIN: 00010175	Non-Independent Non-Executive	10	10	Yes	-	-	3	-	-
Mr. Shom Ashok Hinduja DIN: 07128441	Non-Independent Non-Executive	10	9	Yes	1	-	3	-	-
Mr. Shenu Agarwal Managing Director & Chief Executive Officer DIN: 03485730	Non-Independent Executive	10	9	Yes	-	-	1	-	-
Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer DIN: 01746102	Non-Independent Executive	10	10	Yes	5	-	3	5	-

[$] *Does not include directorships in Private Limited companies, Section 8 companies and companies incorporated outside India. This is however covered under number of Directorships in other companies.*

[&] *Represents Committee positions in Audit and Stakeholders Relationship Committee.*

Directorships in other listed entities

Name of the Director	Name of the listed entity	Category
Ms. Manisha Girotra	Sona BLW Precision Forgings Limited	Non-Executive Independent Director
Mr. Sanjay K Asher	Deepak Nitrite Limited	Non-Executive Independent Director
	Hawkins Cookers Limited	
	Epigral Limited (formerly known as Meghmani Finechem Limited)	
	Sonata Software Limited	
	Sudarshan Chemicals Industries Limited	
	Sun Pharmaceuticals Industries Limited	
Mr. Saugata Gupta	Marico Limited	Managing Director & Chief Executive Officer
	Delhivery Limited	Non-Executive Independent Director
Dr. V Sumantran	TVS Electronics Limited	Non-Executive Independent Director
	Rane Holdings Limited	Non-Executive Independent Director
	Interglobe Aviation Limited	Non-Executive Independent Chairman
Mr. Shom Ashok Hinduja	Gulf Oil Lubricants India Limited	Non-Executive Non-Independent Director

Changes in Board composition: During the FY 2023-24, there were no changes in the Board composition of the Company. Subsequently, the following appointments/re-appointments were made by the Board:

- Mr. Gopal Mahadevan, Whole Time Director (DIN: 01746102) was re-appointed as Director - Strategic Finance and Merger & Acquisition for a period of two years from May 24, 2024. He will relinquish his position as CFO / KMP as of the close of business hours on May 31, 2024.
- Dr. V Sumantran (DIN: 02153989) was appointed as an Additional Director (Non-Executive, Independent) of the Company w.e.f. May 24, 2024, for a period of five years.
- Mr. Dheeraj G Hinduja (DIN: 00133410) was re-appointed as the Executive Chairman for a period of two years with effect from November 26, 2024.
- Mr. Saugata Gupta (DIN: 05251806) was re-appointed as an Independent Director for a second term of five years with effect from November 8, 2024.
- The Nomination and Remuneration Committee at its meeting held on May 23, 2024 has recommended the appointment of Mr. Thomas Dauner as an Additional Director (Non-Executive, Independent) of the Company subject to allotment of Director Identification Number (DIN).

The aforementioned appointments / re-appointments as the case may be are subject to approval of the shareholders.

i. None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five committees across the public companies in which he/she is a director.

ii. None of the Directors on the Board serve as Independent Directors in more than seven listed entities. None of the Executive Directors on the Board serve as an Independent Director in more than three listed entities.

iii. None of the Directors/Key Management Personnel of the Company are related to each other (in terms of the Act).

iv. During the year, ten Board meetings were held and the gap between two meetings did not exceed one hundred and twenty days.

v. The dates on which the said meetings were held are:

May 23, 2023, June 12, 2023, July 21, 2023, August 14, 2023, September 14, 2023, November 9, 2023, December 6, 2023, February 5, 2024, March 13, 2024 and March 25, 2024. The necessary quorum was present for all the meetings.

vi. The Board evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices.

vii. During the FY 2023-24, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all laws applicable to the Company.

viii. In compliance with the applicable provisions of the Act and the Rules made thereunder, the Company facilitates the participation of the Directors in Board/Committee meetings through video conferencing or other audio-visual mode.

ix. Further, the Board fulfils the key functions as prescribed under the SEBI Listing Regulations.

x. Your Company has appointed Independent Directors who are renowned people having expertise/experience in their respective field/profession. None of the Independent Directors are promoters or related to promoters. They do not have pecuniary relationship with the Company and further do not hold two percent or more of the voting power of the Company.

xi. The details of Directors seeking appointment/re-appointment at the ensuing AGM is furnished in the Notice convening the AGM.

xii. During the FY 2023-24, under AL ESOP 2016 and 2018, the Nomination and Remuneration Committee ("NRC") has not granted any options to any of the eligible employees of the Company. During the year, the NRC has allotted 2,00,000 equity shares pursuant to exercise of stock options. Further, in May 23, 2024 the NRC has allotted 1,00,000 equity shares pursuant to exercise of stock options.

xiii. As at March 31, 2024, Mr. Gopal Mahadevan holds 20,620 shares in the Company.

Dr. C Bhaktavatsala Rao holds 1,690 shares in the Company as at March 31, 2024 in individual capacity and 6,550 shares as Karta of HUF. Other Non-Executive Directors do not hold any shares in the Company.

xiv. Your Company has not issued any convertible instruments.

xv. During the year, the Independent Directors of the Company without the presence of non-independent directors and management team met on May 17, 2023, November 9, 2023 and February 5, 2024. The Independent Directors *inter-alia* reviewed the performance of the non-independent directors, Board as a whole and Chairman of the Company, on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

Prof. Dr. Andreas H Biagosch, Lead Director of these meetings presented the views of the Independent Directors on matters relating to Board processes and views, to the Board.

xvi. The details of familiarisation programme done for the FY 2023-24 have been hosted in the website of the Company under the web link as provided in page no. 72 of this Annual Report.

xvii. The skills/expertise/competencies identified by the Board for the effective functioning of the Company which are currently available with the Board and the names of the Directors who have such skills/expertise/competence is as below:

Skills/Expertise/Competence	Name of the Director
Governance, Global Strategic Management in Automotive sector	Mr. Dheeraj G Hinduja Prof. Dr. Andreas H Biagosch Mr. Jose Maria Alapont Mr. Jean Brunol Mr. Shom Ashok Hinduja Mr. Shenu Agarwal
Financial Management, Risk management, Regulatory and Legal	Mr. Dheeraj G Hinduja Prof. Dr. Andreas H Biagosch Mr. Jose Maria Alapont Mr. Sanjay K Asher Ms. Manisha Girotra Mr. Gopal Mahadevan Mr. Shenu Agarwal
Engineering, Technology, Operations	Mr. Jose Maria Alapont Mr. Jean Brunol Prof. Dr. Andreas H Biagosch Mr. Shom Ashok Hinduja Mr. Shenu Agarwal
Investment Appraisal, Financing, Capital Structures	Mr. Dheeraj G Hinduja Ms. Manisha Girotra Mr. Gopal Mahadevan Mr. Jose Maria Alapont Mr. Shenu Agarwal
Management and Leadership, Marketing and Branding,	Mr. Dheeraj G Hinduja Mr. Jose Maria Alapont Prof. Dr. Andreas H Biagosch Mr. Jean Brunol Mr. Saugata Gupta Dr. C Bhaktavatsala Rao Mr. Shom Ashok Hinduja Mr. Shenu Agarwal Mr. Gopal Mahadevan

Committees of the Board

Audit Committee

Terms of Reference:

Your Company has constituted a qualified independent Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The Committee is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of internal and statutory audits. The Members of the Audit Committee are financially literate and possess accounting or related financial management expertise.

The brief description of the terms of reference of the Committee is given below:

Financials

- Review of the quarterly/half-yearly/annual financial statements with reference to changes, if any, in accounting policies and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management, adjustments, if any, arising out of audit findings.
- Compliance with listing and legal requirements relating to financial statements, qualifications, if any, in the draft audit report.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Significant adjustments made in the financial statements arising out of audit findings.

Internal controls and risk management

- Review of internal audit function and discussion on internal audit reports.
- Review of vigil mechanism.
- Review of adequacy of internal control systems.
- Review of enterprise level risks.

Compliance and other related aspects

- Approval and disclosure of related party transactions and subsequent modifications, if any.
- Scrutiny of inter-corporate loans and investments.

- Valuation of undertakings or assets of the Company.
- Uses/application of funds raised through an issue.
- Review and recommendation of appointment, remuneration and terms of appointment of statutory auditors.
- Review of other services rendered by the statutory auditors.
- Review and monitor the auditor's independence and performance and effectiveness of the audit process.
- Review of the management discussion and analysis of the financial conditions and results of operations, significant related party transactions, management letters issued by statutory auditors, internal audit reports.
- Review the adequacy of the internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Evaluation of internal financial controls and risk management systems.
- Review the compliances of the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- Review the functioning of the Whistle Blower Mechanism. The policy is available on the Company's website in the link as provided in page no. 72 of this Annual Report.

The Audit Committee also considers matters which are specifically referred to it by the Board of Directors, besides considering the mandatory requirements of Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations and provisions of Section 177 of the Act.

Composition:

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2023-24	
		Held	Attended
Mr. Sanjay K Asher, Chairman	Independent, Non-Executive	7	7
Mr. Jean Brunol	Independent, Non-Executive	7	7
Mr. Jose Maria Alapont	Independent, Non-Executive	7	7
Dr. C Bhaktavatsala Rao	Non-Independent, Non-Executive	7	7
Mr. Saugata Gupta	Independent, Non-Executive	7	7

Meetings

During the year, seven Audit Committee meetings were held and the gap between two meetings did not exceed one hundred and twenty days.

The dates on which the said meetings were held are as follows: May 22, 2023, July 20, 2023, August 14, 2023, September 14, 2023, November 08, 2023, February 04, 2024 and March 13, 2024. The necessary quorum was present at all the meetings.

The Committee complies with the SEBI Listing Regulations relating to composition, independence of its members, financial expertise and the audit committee charter.

Mr. Sanjay K Asher, Chairman of the Audit Committee was present at the AGM held on July 21, 2023.

The Whole-time Director and Chief Financial Officer and Head - Internal Audit and Risk Management attend meetings of the Audit Committee, as invitees.

The Statutory Auditors/ Cost Auditor attend the Audit Committee Meetings for matters relating to discussion on financials results/ respective audit reports.

Mr. N Ramanathan, Company Secretary is the Secretary to the Committee.

Your Company is governed by a charter adopted by the Committee pursuant to the regulatory requirements and the Committee reviews the mandatory information periodically as required.

Nomination and Remuneration Committee

Your Company has a Nomination and Remuneration Committee ("NRC") constituted pursuant to the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The NRC acts as the Compensation Committee for administration of AL ESOP 2016 and AL ESOP 2018 as per the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

A brief description of the terms of reference of the Committee is given below:

- Formulate Remuneration Policy and a Policy on Board Diversity.
- Formulate criteria for evaluation of Directors and the Board.
- To ensure that the Remuneration Policy shall also include the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees and recommend their remuneration to the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance. Evaluate the balance of skills, knowledge and experience on the Board and consider the appointment of Independent Directors on the basis of such evaluation.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Composition

The composition of the NRC and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2023-24	
		Held	Attended
Ms. Manisha Girotra, Chairperson	Independent, Non-Executive	4	4
Mr. Jose Maria Alapont	Independent, Non-Executive	4	4
Mr. Saugata Gupta	Independent, Non-Executive	4	4

Meetings

During the year, four NRC meetings were held. The dates on which the said meetings were held are as follows:

May 22, 2023, July 20, 2023, November 09, 2023 and February 05, 2024. The necessary quorum was present for all the meetings.

The Chairperson of the NRC was present at the last AGM held on July 21, 2023.

Performance evaluation criteria for Directors

The NRC has laid down the criteria for performance evaluation of all the Directors of the Company. The performance evaluation is done by the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as follows:

(a) Role and Accountability

- Understanding the nature and role of Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

(b) Objectivity

- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

(c) Leadership and Initiative

- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

(d) Personal Attributes

- Commitment to role and fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

During the year, the Nomination and Remuneration Committee/ Board conducted an evaluation of its own performance, Individual Directors as well as the working of the Committees as per the Board evaluation framework adopted by it.

(e) Remuneration Policy

The objective of the remuneration policy is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognising the interest of Company's stakeholders. The policy is hosted at the Company's website in the link as provided in page no. 72 of this Annual Report.

Remuneration of Directors

(i) Criteria for making payments to Non-Executive Directors

The Non-Executive Directors of the Company are paid remuneration by way of sitting fee and profit related commission based on the criteria laid down by the NRC and the Board which may include:

- Performance of the Company.
- Members' attendance, position held in the Committee(s); and
- Time spent by each Member.

Details of the remuneration for Non-Executive Directors for the year ended March 31, 2024

Sl. No.	Name of the Director	Sitting fees (₹)	Commission (₹)	Total (₹)
1.	Prof. Dr. Andreas H Biagosch	15,40,000	81,62,210	97,02,210
2.	Mr. Jean Brunol	21,80,000	82,44,670	1,04,24,670
3.	Mr. Jose Maria Alapont	23,60,000	91,29,420	1,14,89,420
4.	Ms. Manisha Girotra	13,60,000	77,24,700	90,84,700
5.	Mr. Sanjay K Asher	21,80,000	95,69,450	1,17,49,450
6.	Mr. Saugata Gupta	19,30,000	82,19,400	1,01,49,400
7.	Dr. C Bhaktavatsala Rao	18,20,000	82,07,550	1,00,27,550
8.	Mr. Shom Ashok Hinduja	12,90,000	75,98,200	88,88,200
	Total	**1,46,60,000**	**6,68,55,600**	**8,15,15,600**

None of the Non-Executive Directors have had any pecuniary relationship or transaction with the Company other than those relating to remuneration in their capacity as Directors and corporate action entitlements in their capacity as Members of the Company.

(ii) Details of Remuneration for the Executive Directors for the year ended March 31, 2024

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Mr. Dheeraj G Hinduja, Executive Chairman	Mr. Shenu Agarwal, Managing Director and Chief Executive Officer	Mr. Gopal Mahadevan Director - Strategic Finance and Merger & Acquisition and Chief Financial Officer
1.	Gross salary:			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	23,03,57,142	8,25,41,396.56	8,27,25,620.33
	b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	88,92,858	21,93,600	7,49,863.20
2.	Employee Stock Option	-	-	1,78,70,000
3.	Others - Retirement benefits	7,50,000	7,50,000	7,50,000
	Total	24,00,00,000	8,54,84,996.56	10,20,95,483.53

The above figures are on accrual basis.

Employee Stock Option is treated as perquisite only at the time of exercise of option under Income Tax Act, 1961. Accordingly, the expense charged during the vesting period is not considered here.

Services of the Executive Directors may be terminated by either party, giving the other party three months' notice. There is no separate provision for payment of severance pay.

During the year, no Employee Stock Options were granted under the Ashok Leyland Limited ESOP 2016 and 2018 Schemes.

Stakeholders Relationship Committee

Your Company has constituted a Stakeholders Relationship Committee ("SRC") pursuant to the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

Terms of Reference

The SRC considers and resolves the grievances of the security holders, reviews the measures taken to ensure timely receipt of dividends/annual reports etc. and effective exercise of voting rights by shareholders. The Committee also reviews the manner and timeliness of dealing with complaint letters received from Stock Exchanges/ SEBI/ Ministry of Corporate Affairs, etc., and the responses thereto along with the adherence to service standards. Based on the delegated powers of the Board of Directors, WTD & CFO approves the share transfers/transmissions on a regular basis and the same is reported at the next meeting of the Committee, normally held every quarter.

Mr. Sanjay K Asher, Independent Director is the Chairman of the Committee.

The Board of Directors have also constituted a Shares Committee to specifically approve requests relating to transfer, transmission and issuance of duplicate share certificates. Dr. C Bhaktavatsala Rao, Mr. Shenu Agarwal and Mr. Gopal Mahadevan are the Members of the Committee.

Composition

The composition of the SRC and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2023-24	
		Held	Attended
Mr. Sanjay K Asher, Chairman	Independent, Non-Executive	4	4
Ms. Manisha Girotra	Independent, Non-Executive	4	3
Mr. Dheeraj G Hinduja	Non-Independent, Executive	4	3

Mr. N Ramanathan, Company Secretary is the Secretary to the Committee and Compliance Officer appointed for the purpose of compliance with the requirements of SEBI Listing Regulations.

Meetings

During the year, four SRC meetings were held. The dates on which the said meetings were held are as follows:

May 17, 2023, July 21, 2023, November 09, 2023 and February 05, 2024. The necessary quorum was present for all the meetings.

Details of Complaints/other Correspondences

During the financial year, 11 complaint letters and 2,454 correspondences were received from investors (11 complaint letters from the Stock Exchanges/SEBI SCORES).

Subject Matter of Complaints	Pending as on March 31, 2023	Letters Received	Letters replied/ completed	Pending as on March 31, 2024
Issue of Duplicate share certificate	-	2	2	-
Regarding shareholding/share certificate	-	1	1	-
Transmission of shares	-	2	2	-
Refund of shares from IEPF Authority	-	2	2	-
Unclaimed Dividend	-	1	1	-
Others	-	3	3	-
Total	**-**	**11**	**11**	**-**

Subject Matter of Correspondence	Pending as on March 31, 2023	Letters Received	Letters replied/ completed	Pending as on March 31, 2024
Regarding Share Certificate	1	120	121	-
Regarding Dividend	-	99	99	-
Regarding Annual Report	-	17	17	-
Issue of Duplicate Share Certificate	2	60	62	-
Loss of Share Certificates	2	189	188	3
Revalidation of Dividend	2	42	44	-
Procedure for Transmission	12	428	437	3
Change of Address/Bank Mandate	-	568	568	-
Other Correspondence	5	230	232	3
Unclaimed share certificate	1	23	24	-
Unclaimed Dividend/ Issue of duplicate dividend	10	443	453	-
Claims regarding refund of Shares/ Dividend from IEPF authority	7	235	242	-
Total	**42**	**2,454**	**2,487**	**9**

Shareholder queries shown pending as on March 31, 2024, have been subsequently resolved within the prescribed time limits.

Corporate Social Responsibility Committee

Your Company has constituted a Corporate Social Responsibility ("CSR") Committee pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014.

The CSR Committee has formulated a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act. The Committee recommends the amount of expenditure to be incurred on the activities mentioned in the CSR Policy, the annual action plan, categorisation of projects as one time and ongoing projects, transfer of funds to the unspent A/c, if any and monitors the implementation of the CSR Policy and the utilisation of the CSR funds.

The CSR Report as required under the Act for the year ended March 31, 2024 is attached as **Annexure I** to the Board's Report.

Composition

The composition of the CSR Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2023-24	
		Held	Attended
Mr. Dheeraj G Hinduja, Chairman	Non-Independent, Executive	2	1
Ms. Manisha Girotra	Independent, Non-Executive	2	1
Mr. Sanjay K Asher	Independent, Non-Executive	2	2
Mr. Shenu Agarwal	Non-Independent, Executive	2	1

Mr. N Ramanathan, Company Secretary is the Secretary to the Committee.

Meetings

The CSR Committee met two times during the year. The dates on which the said meetings were held are as follows:

May 17, 2023 and March 20, 2024. The necessary quorum was present for all the meetings.

Risk Management Committee

(i) Your Company has constituted a Risk Management Committee ("RMC") to assist the Board and the Audit Committee in their responsibilities of overseeing Company's risk management policies and processes (including processes for monitoring and mitigating such risks) and the Company's exposure to unmitigated risks.

The terms of reference of the RMC is as follows:

- Formulation of a detailed risk management policy which includes a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability, ESG related risks, information, cyber security risks or any other risk as may be determined by the Committee. The policy also includes measures for risk mitigation including systems and processes for internal control of identified risks and the Business continuity plan;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken.

(ii) The Chairman of the Committee apprises the Board of the most significant risks along with the status of action taken by the Management for mitigating such risks and the effectiveness of the Enterprise Risk Management (ERM) system.

(iii) Details of Risk Management measures undertaken by the Company have been provided in the Management Discussion and Analysis Report which is attached to the Board's Report.

(iv) A Risk Management status report is provided to the Audit Committee on a regular basis for its information.

Composition

The composition of the RMC and the details of meeting attended by its members are given below:

Name	Category	Number of meetings during the financial year 2023-24	
		Held	Attended
Prof. Dr. Andreas H Biagosch, Chairman	Independent, Non-Executive	3	3
Mr. Sanjay K Asher	Independent, Non-Executive	3	3
Mr. Gopal Mahadevan	Non-Independent, Executive	3	3
Mr. Shenu Agarwal	Non-Independent, Executive	3	2

Mr. N Ramanathan, Company Secretary is the Secretary to the Committee.

Meetings

Three RMC meetings were held during the year on April 06, 2023, September 28, 2023 and March 20, 2024 and the gap between two meetings did not exceed one hundred and eighty days. The necessary quorum was present for the meetings.

Other Committees

Technology and Investment Committee

The Board has constituted a Technology and Investment Committee (T & IC) to consider matters relating to new investment proposals, long term strategic goals in the areas of manufacturing and product strategy, key decisions with regard to product planning and choice of technology thereof and helps to prepare the Company to be in step with or be ahead of emerging global product and technology trends.

Composition

The composition of the T & IC and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2023-24	
		Held	Attended
Mr. Dheeraj G Hinduja, Chairman	Non-Independent, Executive	6	6
Prof. Dr. Andreas H Biagosch	Independent, Non-Executive	6	6
Mr. Jean Brunol	Independent, Non-Executive	6	6
Mr. Jose Maria Alapont	Independent, Non-Executive	6	5
Mr. Shom Ashok Hinduja	Non-Independent, Non-Executive	6	5

Mr. N Ramanathan, Company Secretary is the Secretary to the Committee.

Meetings

The Technology and Investment Committee met six times during the year on the following dates:

May 22, 2023, July 20, 2023, August 14, 2023, September 14, 2023, November 08, 2023 and February 04, 2024. The necessary quorum was present for all the meetings.

Environmental, Social and Governance Committee

The Board has constituted the Environmental, Social and Governance Committee ('ESG Committee') to guide and to assist the Board of the Company in fulfilling its oversight responsibilities and also make recommendations as appropriate, on matters related to entity-wide ESG initiatives, key focus areas and benchmarked ESG practices.

The terms of reference of the ESG Committee is as below:

i. Oversee, review and assess whether the Company's strategy, policy and initiatives are in line with the macro developments happening in the ESG domain.

ii. Integrate the relevant initiatives on matters relating to Environmental, Health and Safety, Corporate Social Responsibility, Sustainability and such other public policy matters, activities, and proposals related to ESG with the other Board Committees.

iii. Review material ESG aspects for the Company and oversee the development and implementation of targets, standards and metrics established by the Management to assess and track the Company's ESG performance.

iv. Review and approve the Company's ESG public disclosures and oversee the Company's engagement with the stakeholders on ESG issues as also review stakeholder feedback from the ESG disclosures.

v. Review monitoring processes for tracking the ESG performance.

vi. Monitor and review stakeholder perception of the Company around ESG topics (including ESG ratings by leading agencies).

vii. Review and ensure compliance to regulatory ESG disclosures as required and amended from time to time (such as BRSR).

Composition

The composition of the ESG Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2023-24	
		Held	Attended
Mr. Jose Maria Alapont Chairman	Independent, Non-Executive	4	4
Dr. C. Bhaktavatsala Rao	Non-Independent, Non-Executive	4	4
Mr. Jean Brunol	Independent, Non-Executive	4	4
Mr. Sanjay K. Asher	Independent, Non-Executive	4	4
Mr. Saugata Gupta	Independent, Non-Executive	4	3
Mr. Shom Ashok Hinduja	Non-Independent, Non-Executive	4	3
Mr. Shenu Agarwal*	Non-Independent, Executive	3	3

**Appointed as a Member of ESG Committee with effect from May 23, 2023.*

Mr. N Ramanathan, Company Secretary is the Secretary to the Committee.

Meetings

During the year, four ESG Committee meetings were held. The dates on which the said meetings were held are as follows:

May 22, 2023, July 20, 2023, November 08, 2023 and February 04, 2024. The necessary quorum was present for all the meetings.

Fund Raising Committee

Your Company has in place a Fund-Raising Committee (FRC), comprising of Mr. Sanjay K Asher as the Chairman of the Committee, Mr. Dheeraj G Hinduja, Dr. C Bhaktavatsala Rao and Mr. Gopal Mahadevan as members of the Committee. The Committee was constituted in connection with the issue and allotment of the Non-Convertible Debentures. During the year, no meetings of the FRC were held.

Committee of Directors for making political contributions

During the year, the Board had constituted a Committee of Directors for making political contributions with Mr. Sanjay K Asher as the Chairman of the Committee and Mr. Saugata Gupta, Mr. Shenu Agarwal and Mr. Gopal Mahadevan as Members. The Committee was constituted to decide on political contributions viz., mode, timing, quantum subject to the limits and the manner prescribed under the Act. During the year, no meetings of the Committee were held.

General Body Meetings

i) Details of location and time of holding the last three AGMs:

Year	Location	Date and Time	Special resolutions passed
74th AGM 2022-23	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")	July 21, 2023 and 2.45 p.m.	(i) Amendment to the Articles of Association for insertion of Article 137A with respect to the requirements laid down under the SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023.
73rd AGM 2021-22	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")	July 29, 2022 and 3.00 p.m.	(i) Ratification of the remuneration of Mr. Vipin Sondhi, MD&CEO for the period April 1, 2021 to December 31, 2021 in view of inadequacy of profits; (ii) Ratification of the remuneration of Mr. Gopal Mahadevan, WTD & CFO for the FY 2021-22 in view of inadequacy of profits; (iii) Ratification of the remuneration of Mr. Dheeraj G Hinduja, Executive Chairman for the period November 26, 2021 to March 31, 2022 in view of inadequacy of profits; (iv) Revision in remuneration of Mr. Dheeraj G Hinduja, Executive Chairman with effect from April 1, 2022; (v) Enhancement of limits under Section 186 of the Companies Act, 2013.
72nd AGM 2020-21	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")	September 8, 2021 and 3.00 p.m.	(i) Re-appointment of Mr. Jose Maria Alapont as an Independent Director; (ii) Ratification of the remuneration of Mr. Vipin Sondhi, MD&CEO for the FY 2020-21 in view of inadequacy of profits; (iii) Ratification of the remuneration of Mr. Gopal Mahadevan, WTD & CFO for the FY 2020-21 in view of inadequacy of profits; (iv) Payment of remuneration to Non-Executive Non-Independent Directors for the FY 2020-21 in view of inadequacy of profits.

No Extra-Ordinary General Meeting was held during the year 2023-24.

ii. Postal Ballot:

During the year, approval of the shareholders in respect of the following matters were obtained by way of Ordinary Resolutions through Postal Ballot.

Nature of business	Period	Date of declaration
Approval of Material Related Party Transaction(s) during the FY 2023-24 between: a) The Company and its subsidiary, Optare Plc., and b) Optare Plc. and its subsidiary – Switch Mobility Ltd., UK	December 12, 2023 to January 10, 2024	January 11, 2024

No special resolutions were passed through Postal Ballot during the year.

None of the businesses proposed to be transacted at the ensuing AGM require passing a resolution through Postal Ballot.

Disclosures

(i) Related Party Transactions

During the FY 2023-24, there were no materially significant transactions with the related parties, which were in conflict with the interests of the Company. The transactions entered into with the related parties during the FY 2023-24 were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. In line with Regulation 23(4) of SEBI Listing Regulations, the Company has, during the year, obtained the approval of the shareholders for Material Related Party Transactions between:

a) The Company and TVS Mobility Private Limited (for the FY 2024-25);

b) The Company and Switch Mobility Automotive Limited (for the FY 2023-24);

c) The Company and Optare Plc (for the FY 2023-24);

d) Optare Plc. and Switch Mobility Limited, U.K. (for the FY 2023-24).

The Policy on Related Party Transactions is hosted on the Company's website in the link as provided in page no.72 of this Annual Report.

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three financial years 2021-22, 2022-23 and 2023-24 respectively: Nil.

(iii) Whistle Blower Policy

Your Company has established a Vigil Mechanism/Whistle Blower Policy to enable stakeholders to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. During the year, the Whistle Blower policy was revamped to extend the policy to suppliers, dealers and all other stakeholders, dealing directly or indirectly with the Company. Further, a dedicated hotline has been set up for reporting of complaints, which would be subjected to review by the Ethics Committee and take action as appropriate. It is affirmed that during the year no Director/Employee has been denied access to the Chairman of the Audit Committee.

The Whistle Blower Policy has been hosted on the Company's website in the link as provided in page no.72 of this Annual Report.

(iv) Your Company has complied with all applicable mandatory requirements in terms of SEBI Listing Regulations. A report on the compliances on the applicable laws for the Company is placed before the Board on a quarterly basis for its review.

(v) The disclosure in relation to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the FY 2023-24 is as below:

a) Number of complaints filed during the financial year: 2

b) Number of complaints disposed off during the financial year: 1

c) Number of complaints pending as on end of the financial year: 1

(vi) Price Waterhouse & Co Chartered Accountants LLP are the statutory auditors of the Company. The total fees paid/payable to the statutory auditors and its network firms by the Company and its subsidiaries for the year ended March 31, 2024 is given below (excluding reimbursement of expenses):

S. No.	Nature of Service	₹ in Crores
1.	Statutory Audit Fees	1.90
2.	Other services including certification and auditing group reporting pack	1.01
	Total	**2.91**

(vii) Dividend Distribution Policy

Your Company has formulated the policy on dividend distribution with a view to specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings be utilised etc. The Policy imbibing the above parameters as per the provisions of SEBI Listing Regulations has been hosted in the Company's website in the link as provided in page no.72 of this Annual Report.

(viii) Your Company has fulfilled the following non-mandatory requirements:

a. The Auditors' Report on statutory financial statements of the Company containing the Audit opinion is unmodified.

b. The Internal Auditors of the Company make presentations to the Audit Committee on their reports on a regular basis.

(ix) Reconciliation of Share Capital Audit

Your Company has engaged a qualified practising Company secretary to carry out share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services

(India) Limited (CDSL) and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

(x) Disclosure of Accounting Treatment

Your Company has not adopted any alternative accounting treatment prescribed differently from the Ind AS.

(xi) Non-Executive Directors' compensation and disclosures

The Nomination and Remuneration Committee recommends all fees/compensation paid to the Non-Executive Directors (including Independent Directors) and thereafter, the fees/compensation is fixed by the Board and approved by the Members in the General Meeting, if required.

(xii) Code of Conduct

Your Company has received confirmations from the Board and the Senior Management Personnel regarding their adherence to the Code of Conduct. The Annual Report of the Company contains a certificate by the Managing Director & Chief Executive Officer, on the compliance declarations received from the Board and Senior Management. The Code has been hosted on the Company's website in the link as provided in page no.72 of this Annual Report.

(xiii) Code of Conduct for Prohibition of Insider Trading

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended. All Designated Persons who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, the Company is in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. On a quarterly basis, the Audit Committee reviews the compliance with these Regulations. Your Company has also formulated a Code of Practises and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Codes have been hosted on the Company's website in the link as provided in page no.72 of this Annual Report.

(xiv) Your Company has obtained a certificate from a Company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. The same is attached as **Annexure E.**

(xv) During the year under review, the Company has not raised any funds through preferential allotment or public issue or rights issue or qualified institutions placement and hence the disclosure as specified under Regulation 32(4) & 32(7A) of the SEBI Listing Regulations is not applicable.

(xvi) During the year under review, the Company and its subsidiaries had not granted any loans/advances in the nature of loans to firms/companies in which Directors are interested (in terms of Section 184(2) of the Act), except in respect of the loan provided by the Company to Switch Mobility Automotive Limited, step-down subsidiary. The details of the loans granted to Switch Mobility Automotive Limited are given in Note No. 3.8 of the Notes to the financial statements.

(xvii) The requirements of Regulation 17 to Regulation 27 of the SEBI Listing Regulations and clauses (b) to (i) of Regulation 46(2) to the extent applicable to the Company have been complied with as disclosed in this Report.

Subsidiary companies

Your Company monitors performance of subsidiary companies (list of subsidiary companies has been provided in the financial statements), *inter-alia*, by the following means:

a) The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies.

b) The minutes of the meetings of the Board of directors of the unlisted subsidiary companies were placed at the meetings of the Board of Directors of the Company.

c) The statement of all significant transactions and arrangements entered into by the Unlisted subsidiary companies is placed before the Audit Committee on a periodical basis.

d) **Material Subsidiary:** Your Company has a material subsidiary viz., Hinduja Leyland Finance Limited (HLFL). The details of HLFL is as below:

- HLFL was incorporated on November 12, 2008 with registered office at No. 1, Sardar Patel Road, Guindy, Chennai – 600 032. Subsequently, the Registered Office of HLFL was shifted to Plot No. C-21, Tower C (1-3 floors), G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 with effect from October 1, 2023.

- The names of the Joint Statutory Auditors of HLFL and their date of appointment is as below:

Name of the Statutory Auditors	Date of appointment
M/s. Suresh Surana & Associates LLP, Chartered Accountants	Appointed at the 14th Annual General Meeting held on September 19, 2022. **Period: 2** years from the conclusion of the 14th Annual General Meeting held on September 19, 2022 till the conclusion of the 16th Annual General Meeting to be held for approval of financial statements for FY 2023-24.
M/s. Walker Chandiok & Co. LLP, Chartered Accountants	Appointed at the 14th Annual General Meeting held on September 19, 2022. **Period: 3** years from the conclusion of the 14th Annual General Meeting held on September 19, 2022 till the conclusion of the 17th Annual General Meeting to be held in for approval of financial statements for FY 2024-25.

- Mr. Jean Brunol, Independent Director of the Company is a Director on the Board of HLFL, as required under Regulation 24(1) of SEBI Listing Regulations.

e) Your Company has not disposed off any shares in its material subsidiary resulting in reduction of its shareholding to less than or equal to fifty percent or cease control over the subsidiary.

The details relating to the status of scheme of merger by absorption of HLFL into NDL Ventures Limited is provided in the Board's report.

f) Your Company has not sold/disposed/leased any of its assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during the current reporting financial year.

g) Your Company formulated a Policy on Material Subsidiary as required under SEBI Listing Regulations and the policy is hosted on the Company's website in the link as provided in page no.72 of this Annual Report.

Means of Communication

(i) **Results:** The quarterly, half yearly and annual results are normally published in one leading national English business newspaper (Business Standard) and in one vernacular Tamil newspaper (Dinamani). The quarterly results and presentations are also displayed on the Company's website www.ashokleyland.com.

(ii) **Website**: Your Company's website contains a dedicated section "Investors" which displays details/information of interest to various stakeholders. The "Media" section also provides various press releases and general information about the Company.

(iii) **News releases**: Official press releases are sent to the Stock Exchanges and the same is hosted on the website of the Company.

(iv) **Presentations to institutional investors/analysts:** Detailed presentations, if any, made to institutional investors and analysts is hosted on the website of the Company. The audio recordings and the transcript of the quarterly Earnings call is also posted on the Company's website.

A statement whether the Board had not accepted any recommendation of any committee of the Board which is mandatorily required.

During the year, there has been no instance where the Board did not accept the recommendation of its Committees.

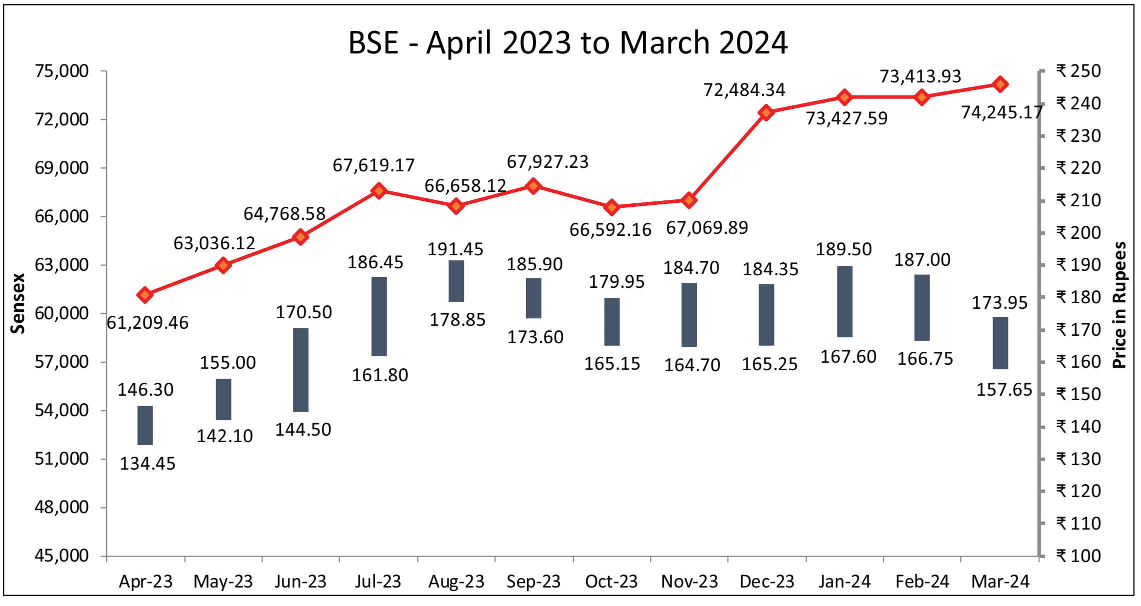
General shareholder information

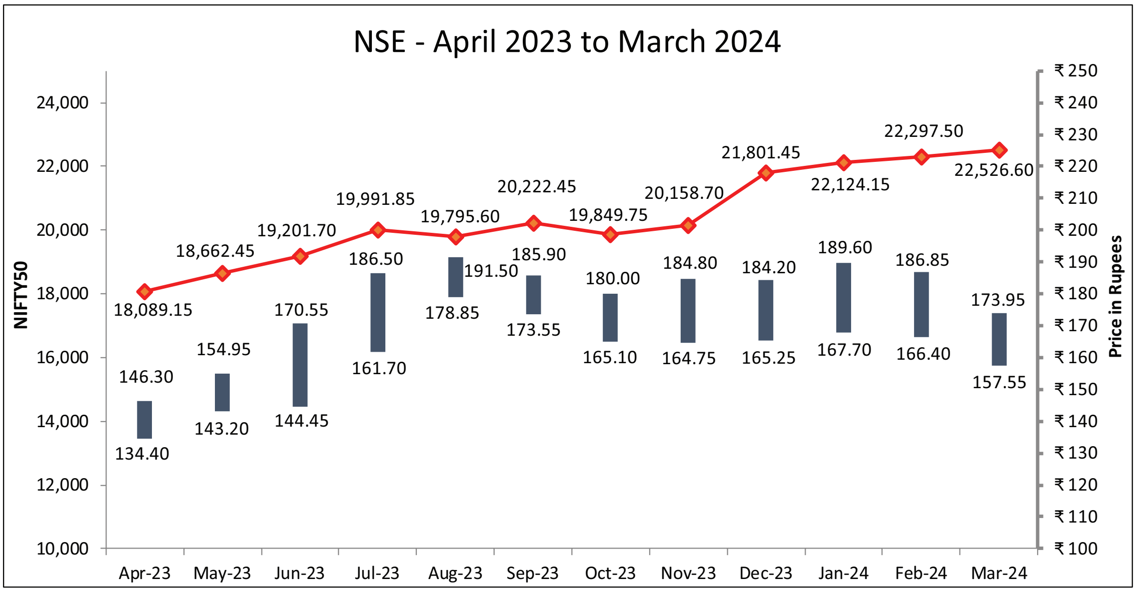
A.	Seventy Fifth Annual General Meeting		
	Day, Date and Time	Thursday, July 25, 2024 at 3.00 P.M. (IST)	
	Venue	Video Conferencing or other Audio-Visual means	
B.	Financial Year	April 1, 2023 to March 31, 2024	
C.	Listing of Equity Shares	BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 National Stock Exchange of India Ltd. ("NSE") Exchange Plaza, C-1, Block G, Bandra Kurla Complex,	
D.	Listing of Privately placed Secured Non-Convertible debentures	NSE	
	Listing Fee	Annual listing fee for the FY 2023-24 has been paid to both the Stock Exchanges.	
	Depository Fee	Annual custody fee for the FY 2023-24 has been paid to the Depositories.	
	Corporate Identity Number	L34101TN1948PLC000105	
E.	Stock Code		
i)	Trading Symbol at	BSE	
		Physical	477
		Demat	500477
		NSE	ASHOKLEY
ii)	Demat ISIN in NSDL & CDSL		
	Equity Shares	INE208A01029	
	Non-Convertible Debentures	ISIN: INE208A07406	
	Details of Debenture Trustees	Axis Trustee Services Limited The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai-400 028 Tel No. 022 – 62300451 E-mail: debenturetrustee@axistrustee.com; compliance@axistrustee.in Website: www.axistrustee.com SEBI Reg. No.: IND000000494	

F. Stock Market Data

Month	NSE				BSE			
	Share Price		CNX Nifty Points		Share Price		Sensex Points	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
Apr-23	146.30	134.40	18,089.15	17,312.75	146.30	134.45	61,209.46	58,793.08
May-23	154.95	143.20	18,662.45	18,042.40	155.00	142.10	63,036.12	61,002.17
Jun-23	170.55	144.45	19,201.70	18,464.55	170.50	144.50	64,768.58	62,359.14
Jul-23	186.50	161.70	19,991.85	19,234.40	186.45	161.80	67,619.17	64,836.16
Aug-23	191.50	178.85	19,795.60	19,223.65	191.45	178.85	66,658.12	64,723.63
Sep-23	185.90	173.55	20,222.45	19,255.70	185.90	173.60	67,927.23	64,818.37
Oct-23	180.00	165.10	19,849.75	18,837.85	179.95	165.15	66,592.16	63,092.98
Nov-23	184.80	164.75	20,158.70	18,973.70	184.70	164.70	67,069.89	63,550.46
Dec-23	184.20	165.25	21,801.45	20,183.70	184.35	165.25	72,484.34	67,149.07
Jan-24	189.60	167.70	22,124.15	21,137.20	189.50	167.60	73,427.59	70,001.60
Feb-24	186.85	166.40	22,297.50	21,530.20	187.00	166.75	73,413.93	70,809.84
Mar-24	173.95	157.55	22,526.60	21,710.20	173.95	157.65	74,245.17	71,674.42

G. **Share Price performance in comparison to broad based indices - NSE Nifty and BSE Sensex Share Price Movement (NSE and BSE)**





H. Registrar and Share Transfer Agents

Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, 1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017, E-mail: einward@integratedindia.in deals with all aspects of investor servicing relating to shares in both physical and demat form.

I. Share Transfer System

The Board has authorised the MD & CEO and WTD approve all routine transmissions, change of name etc., of shares. Such approval is being given at frequent intervals (58 times during FY 2023-24). Requests for dematerialisation were confirmed within fifteen days and those requests for transmission were approved within seven days.

Members may note that transfer of shares in physical mode is prohibited effective April 01, 2019 pursuant to SEBI's amendment notification dated June 08, 2018.

J. Details of Unclaimed Securities Suspense Account

Particulars	Number of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Shares Suspense Account lying as on April 1, 2023	**303**	**2,62,341**
Number of shareholders who approached the Company for transfer of shares from Unclaimed Shares Suspense Account during the year	17	20,880
Number of shareholders to whom shares were transferred from Unclaimed Shares Suspense Account during the year	17	20,880
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	36	38,240
Aggregate number of shareholders and the outstanding shares in the Unclaimed Shares Suspense Account lying as on March 31, 2024	**250**	**2,03,221**

The voting rights on the shares outstanding in the suspense account as on March 31, 2024 shall remain frozen till the rightful owner of such shares claims the shares.

K. Shares transferred to IEPF Authority

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), shares in respect of which dividends have remained unclaimed or unpaid for a period of seven consecutive years or more is required to be transferred to the Investor Education and Protection Fund Authority ('IEPF Authority'). In terms of the IEPF Rules, 463,937 shares pertaining to 1,575 holders were transferred to the IEPF Authority during the FY 2023-24. The voting rights on the shares outstanding in the IEPF Authority as on March 31, 2024 remains frozen till the rightful owner of such shares claim the same.

L. Instruction to Members

SEBI has vide circulars dated November 3, 2021, December 14, 2021 and March 16, 2023 made it mandatory for holders of physical securities to furnish their KYC details viz., (i) PAN (ii) Nomination (to register or opt out) (iii) Complete postal address, Mobile No. and E-mail ID (iv) Bank details (v) Specimen signature of shareholder. To encourage mandatory updation of KYC details in the physical folios, reminder letters were sent to the shareholders at their last available addresses for furnishing of PAN, KYC details and Nomination.

Further, Members may note that SEBI has as per the aforementioned circular, mandated companies to pay dividend only in electronic mode with effect from April 1, 2024. Hence, physical shareholders are urged to update the KYC details at the earliest to get the future dividends and past unclaimed dividends directly to the bank account. Members may get in touch with Integrated Registry Management Services Private Limited, Registrar and Share Transfer Agent, for further information.

M. (i) Distribution of Shareholding as on March 31, 2024

Sl. No.	Category of shares	Holders	% to holders	Shares	% to capital
1.	Up to 50	8,50,059	55.64	1,42,48,321	0.49
2.	51-100	2,34,488	15.35	2,00,99,178	0.68
3.	101-200	1,64,419	10.76	2,65,26,347	0.90
4.	201-500	1,48,140	9.70	5,19,68,546	1.77
5.	501-1000	67,488	4.42	5,33,68,107	1.82
6.	1001-2000	33,026	2.16	5,03,45,481	1.71
7.	2001-5000	20,523	1.34	6,72,62,959	2.29
8.	5001-10000	5,789	0.38	4,21,02,262	1.43
9.	10001 and above	3,768	0.25	2,61,04,06,075	88.90
	Total	**15,27,700**	**100.00**	**2,93,63,27,276**	**100.00**

(ii) Shareholding pattern as on March 31, 2024

Sl No.	Category	Shares	% of shares
1.	Promoters	1,50,06,60,261	51.11
2.	Resident Individuals / Association of Persons / HUF	39,11,63,532	13.32
3.	IEPF Authority/Unclaimed Securities Suspense Account	68,85,857	0.23
4.	Clearing Members	1,46,445	0.00
5.	Financial Institutions/Insurance Co. / State Govt./Govt. Companies / NBFC	17,79,92,975	6.06
6.	Foreign Institutional Investors	7,500	0.00
7.	Foreign Portfolio Investors	62,47,14,106	21.28
8.	NRI / OCB / Corporate Bodies - Foreign / Foreign National / Foreign Banks	1,44,02,163	0.49
9.	Corporate Bodies / Limited Liability Partnership	1,24,09,308	0.42
10.	Mutual Funds /UTI	16,99,94,445	5.79
11.	Trusts	36,91,814	0.13
12.	Banks	70,64,829	0.24
13.	Alternate Investment Fund	35,24,041	0.12
14.	Others - GDR A/C	2,36,70,000	0.81
	Grand Total	2,93,63,27,276	100.00

(iii) Details of Shares

Type	Number of Shares	% to paid up capital	Number of Holders
Physical	86,31,320	0.29	7,103
Electronic - NSDL	2,74,65,95,532	93.54	5,14,115
Electronic - CDSL	18,11,00,424	6.17	10,06,482
Total	**2,93,63,27,276**	**100**	**15,27,700**

N. Dematerialisation of shares and liquidity

Your Company's shares are compulsorily traded in dematerialised form on NSE and BSE. Equity shares of the Company representing 99.71% of the Company's equity share capital are dematerialised as on March 31, 2024. The entire Promoter's holdings are in electronic form and the same is in line with the directions issued by SEBI.

The equity shares of the Company are regularly traded in BSE and NSE and hence have good liquidity.

Members are requested to note that SEBI vide circular dated January 25, 2022 has mandated the issuance of securities in dematerialised form only and hence the issuance of share certificates in case of transmission and requests for duplicate share certificates can only be undertaken in dematerialised mode.

O. Plant Locations

Ennore
Kathivakkam High Road
Ennore
Chennai - 600 057
Tamil Nadu

Hosur – Unit I
175 Hosur Industrial Complex
Hosur - 635 126
Tamil Nadu

Hosur – Unit II
77 Electronic Complex Perandapalli Village
Hosur - 635 109
Tamil Nadu

Ennore (Foundry)
Kathivakkam High Road Ennore
Chennai - 600 057
Tamil Nadu

Bhandara
Plot No.1 MIDC Industrial Area
Village Gadegaon, Sakoli Taluk
Bhandara - 441 904
Maharashtra

Alwar
Plot No.SPL 298 Matsya Indl. Area,
Alwar - 301 030
Rajasthan

Hosur - Unit IIA
Cab Panel Press Shop
SIPCOT Industrial Complex
Mornapalli village
Hosur - 635 109
Tamil Nadu

Pantnagar
Plot No.1, Sector XII II E, Pantnagar,
Pin - 263 153
Uttarakhand

Sriperumbudur (Foundry)
Plot No K2, SIPCOT Industrial Estate,
Arneri Village, Sriperumbudur
Kanchipuram District
Pin - 602 105

Technical Centre
Vellivoyalchavadi
Via Manali New Town
Chennai - 600 103 Tamil Nadu

Vijayawada
Model Industrial Park,
Mallavalli Village,
Krishna District, Andhra Pradesh

During the year, the Company has commenced setting up of an integrated commercial vehicle bus plant in Lucknow, Uttar Pradesh with a production capacity of 2500 buses per annum which may be expanded to 5,000 vehicles per annum, contingent on market demand. The said plant is for production of electric vehicles, with the flexibility to also assemble other vehicles powered by currently available fuels as well as emerging alternative fuels.

P. Outstanding GDR/Warrants and Convertible Notes, Conversion date and likely impact on equity

No instrument is outstanding for conversion as on March 31, 2024 having an impact on equity.

Q. Commodity price risk or foreign exchange risk and hedging activities

Your Company being a sizable user of commodities, is exposed to the price risk on account of procurement of commodities. Your Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions.

R. Disclosure pursuant to SEBI/HO/CFD/CMD1/CIR/P2018/0000000141 circular dated November 15, 2018

Risk management policy of the listed entity with respect to commodities including through hedging: Your Company has framed a policy on commodity risks.

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

a) Total exposure of the listed entity to commodities is ₹ 1609 Crores.

b) Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity in FY 2023-24	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives					
			Domestic market		International market			Total
			OTC	Exchange	OTC		Exchange	
Flat Steel procured by us directly for our Consumption	₹ 1609 Crores	2.45 lakh metric tons	Nil	Nil	Nil	Nil	Nil	Nil

c) Commodity risks faced by the listed entity during the year and how they have been managed:

Prices for the commodities are managed through long term contract/periodic settlement based on commodity trends. The Company does not have exposure hedge through commodity.

S. Address for Correspondence

Registrar & Share Transfer Agents (R&TA) (matters relating to Shares, Dividends, Annual Reports)	Integrated Registry Management Services Private Limited 2nd Floor, Kences Towers 1, Ramakrishna Street North Usman Road T Nagar, Chennai - 600 017	Tel : 91-44-2814 0801/03 Fax : 91-44-28142479 e-mail : einward@integratedindia.in
For any other general matters or in case of any difficulties/ grievances	Secretarial Department Ashok Leyland Limited No.1 Sardar Patel Road, Guindy, Chennai - 600 032	Tel. : 91-44-2220 6000 Fax : 91-44-2230 4410 e-mail : secretarial@ashokleyland.com einward@integratedindia.in
Website Address	www.ashokleyland.com	
E-mail ID of Investor Grievances Section	secretarial@ashokleyland.com	
Name of the Compliance Officer	N Ramanathan, Company Secretary	

T. Credit Ratings

Name of the Agency	Type of Instrument	Amount (in ₹ Crores)	Rating Action
ICRA	Fund Based Limits	2,000.00	Reaffirmed ICRA AA (outlook 'Stable') / ICRA A1+
	Non-Fund Based Limits	1200.00	Reaffirmed ICRA AA (outlook 'Stable') / ICRA A1+
	Long Term Loans	1,111.25	Reaffirmed ICRA AA (outlook 'Stable')
	Long term/Short term: Unallocated	350.00	Reaffirmed ICRA AA (outlook 'Stable') / ICRA A1+
	Short Term: Commercial Paper	2,000.00	Reaffirmed ICRA A1+;
	Long Term: Non-Convertible Debentures	200.00	Reaffirmed ICRA AA (outlook 'Stable')
CARE	Fund Based Limits	2,000.00	Reaffirmed CARE AA (outlook 'Stable') / CARE A1+
	Non-Fund Based Limits	1200.00	Reaffirmed CARE AA (outlook 'Stable') / CARE A1+
	Long Term Loans	400.00	Reaffirmed CARE AA (outlook 'Stable')
	Long term/Short term: Unallocated	500.00	Reaffirmed CARE AA (outlook 'Stable') / CARE A1+
	Short Term: Commercial Paper	2,000.00	Reaffirmed CARE A1+;
	Long Term: Non-Convertible Debentures	600.00	Reaffirmed CARE AA (outlook 'Stable')

U. SENIOR MANAGEMENT

During the FY 2023-24, Mr. Raja Radhakrishnan was appointed as the Head – Human Resources with effect from April 21, 2023. There were no other changes in the Senior Management during the FY 2023-24.

As on the date of this report, the Senior Management comprises of Mr. Alok Verma, Mr. Amandeep Singh, Mr. S Ganesh Mani, Mr. Mahesh Thakar, Mr. Raja Radhakrishnan, Mr. K Ramkumar, Mr. Sanjay Saraswat, Mr. Sanjeev Kumar and Dr. N Saravanan. The details of Key Managerial Personnel forms part of the Board's report.

V. DISCLOSURE OF AGREEMENTS BINDING THE COMPANY:

During the FY 2023-24, no agreements were entered requiring a disclosure under Clause 5A to para A of part A of Schedule III of SEBI LODR

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that for the financial year ended March 31, 2024 all members of the Board and the Senior Management Personnel have affirmed in writing their adherence to the Code of Conduct adopted by the Company.

May 24, 2024
Chennai

Shenu Agarwal
Managing Director & Chief Executive Officer

ANNEXURE D TO THE BOARD'S REPORT
CORPORATE GOVERNANCE CERTIFICATE

The Members
ASHOK LEYLAND LIMITED
No. 1, Sardar Patel Road,
Guindy, Chennai – 600032.

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **ASHOK LEYLAND LIMITED, (CIN: L34101TN1948PLC000105)** (hereinafter referred to as "the Company") having its Registered Office at No. 1, Sardar Patel Road, Guindy, Chennai – 600032, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter referred to as "SEBI (LODR) Regulations 2015") for the financial year ended 31st March, 2024. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) of SEBI (LODR) Regulations, 2015 as amended for the financial year ended 31st March, 2024.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **R. SRIDHARAN & ASSOCIATES**
COMPANY SECRETARIES

CS R. SRIDHARAN
FCS No. 4775
CP No. 3239
PR NO.657/2020
UIN: S2003TN063400
UDIN: F004775F000407958

Place: CHENNAI
Date : 24 May 2024

ANNEXURE E TO THE BOARD'S REPORT
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

The Members,
ASHOK LEYLAND LIMITED
CIN: L34101TN1948PLC000105
No. 1, Sardar Patel Road,
Guindy, Chennai - 600032.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ASHOK LEYLAND LIMITED (CIN:L34101TN1948PLC000105)** and having its Registered Office at No. 1, Sardar Patel Road, Guindy, Chennai- 600032 (hereinafter referred to as "The Company") produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Director Identification Number (DIN) Status at the portal www.mca.gov.in) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such other statutory authority.

S. NO	DIN	NAME OF THE DIRECTOR	DESIGNATION	DATE OF APPOINTMENT
1	00133410	Mr. Dheeraj Gopichand Hinduja	Executive Director – Chairman	03/09/1996
2	03044965	Mr. Jean Brunol	Non-Executive - Independent Director	20/10/2010
3	00008221	Mr. Sanjay Khatau Asher	Non-Executive - Independent Director	21/12/2010
4	06570499	Prof. Dr. Andreas Hubertus Biagosch	Non-Executive - Independent Director	10/05/2013
5	00774574	Ms. Manisha Girotra	Non-Executive - Independent Director	08/09/2014
6	07712699	Mr. Jose Maria Alapont	Non-Executive - Independent Director	25/01/2017
7	01746102	Mr. Gopal Mahadevan	Whole Time Director & Chief Financial Officer	24/05/2019
8	05251806	Mr. Saugata Gupta	Non-Executive - Independent Director	08/11/2019
9	00010175	Dr. Canakapalli Bhaktavatasala Rao	Non-Executive - Non Independent Director	12/08/2020
10	07128441	Mr. Shom Ashok Hinduja	Non-Executive - Non Independent Director	12/11/2021
11	03485730	Mr. Shenu Agarwal	Managing Director & Chief Executive Officer	08/12/2022

Ensuring the eligibility of, for the appointment/ continuity of, every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: CHENNAI
Date : 24 May 2024

For **R. SRIDHARAN & ASSOCIATES**
COMPANY SECRETARIES

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
PR.No.657/2020
UIN: S2003TN063400
UDIN: F004775F000407969

ANNEXURE F TO THE BOARD'S REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. MARKET TRENDS

Economy – India

As per the second advance estimates released by the National Statistical Office (NSO), India's GDP is expected to grow by 7.6% in FY24, marking the third successive year of growth above 7% led by strong investment activity. On the supply side, gross value added (GVA) is expected to expand by 6.9% with manufacturing and services sectors as the key drivers. Agricultural activity held up well despite lower rainfall, lower reservoir levels and delayed sowing. Industrial activity gained steam on the back of improving performance of manufacturing. Services sector activity remained resilient on the back of strong domestic demand and stable global prospects. The buoyant demand for residential housing, coupled with increased thrust on government capex, propelled construction activity in the country. On the demand side, improving employment conditions and moderating inflation, pushed up household consumption. Rural demand continued to gather pace. Urban consumption remained strong on the back of improved income levels. Investment cycle gained steam, aided by sustained thrust on government capex; increasing capacity utilization; rising flow of resources to the commercial sector; and policy support from schemes such as production linked incentive. Revival in private corporate investment took shape and RBI's survey suggests that investments from private corporates remained upbeat with both services and infrastructure firms optimistic about overall business conditions. Net external demand also improved with narrowing merchandise trade deficit.

Going into FY25, normal south-west monsoon should support agricultural activity. Manufacturing is expected to maintain its momentum on the back of sustained profitability. Services activity is likely to grow above the pre-pandemic trend. Private consumption should gain steam with further pick-up in rural activity and steady urban demand. A rise in discretionary spending expected by urban households, as per RBI's consumer survey, and improving income levels augur well for the strengthening of private consumption. The prospects of fixed investment remain bright with business optimism, healthy corporate and bank balance sheets, robust government capital expenditure and signs of upturn in the private capex cycle. Headwinds from geopolitical tensions, volatility in international financial markets, supply chain disruptions, and extreme weather events, however, pose risks to the outlook. Taking all these factors into consideration, RBI has forecasted India's real GDP growth for FY25 at 7.0%.

Food price uncertainties would continue to weigh on the inflation outlook. Early indications of normal monsoon augur well for the kharif season. On the other hand, the increasing incidence of climate shocks remains a key upside risk to food prices. Fuel price deflation is likely to deepen in the near term. The recent firming up of international crude oil prices warrants close monitoring. Geo-political tensions and volatility in financial markets also pose risks to the inflation outlook. Taking into account these factors and assuming a normal monsoon, RBI expects CPI inflation for 2024-25 at 4.5%.

Steel prices are expected to trend downward in FY25. Domestic demand is expected to lag steel mill production (new capacity coming on-board) and mill inventory expected to stay at historic levels. As per CRU (commodity analysts) steel spot prices are expected move to ₹54/kg by end FY25 from current levels of ₹55-56/kg. On the other hand, China's economic growth outlook of around 5.0% for CY24 has failed to boost confidence, with the economy facing multiple headwinds, including a prolonged property slump, weakened sentiment and tensions with the West. This does not bode well for demand of infrastructure-led commodities, such as iron ore, coal, cement and base metals. OPEC+ is expected to continue with oil production cuts to keep prices at current levels in response to weakening global oil demand. Brent crude oil price is projected to average at $82/barrel in CY24. Overall globally commodity costs are expected to stay in a range barring any escalation in geo-political tensions.

(Source: RBI MPC Apr'24, Brokerage reports)

Economy – World

The global economy has been surprisingly resilient through the global disinflation of 2022–23. As global inflation declined from the peak, economic activity grew steadily, defying warnings of stagflation and global recession. Growth in employment and incomes held steady, reflecting supportive demand developments including greater-than-expected government spending, household consumption and a supply-side expansion. The unexpected economic resilience, despite significant central bank interest rate hikes aimed at restoring price stability, also reflects the ability of households to draw on substantial savings accumulated during the pandemic. As inflation converges toward target levels and central banks pivot toward policy easing in many economies, tightening of fiscal policies aimed at curbing high government debt, with higher taxes and lower government spending, is expected to weigh on growth. Artificial intelligence and stronger structural reforms than anticipated could spur global productivity. Global growth, estimated at 3.2% in 2023, is projected to continue at the same pace in 2024 and 2025. Global headline inflation is expected to fall from an annual average of 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025. Risks to the global outlook are broadly balanced. On the downside, new price spikes stemming from geopolitical tensions, along with persistent core inflation where labor markets are still tight, raise interest rate expectations and reduce asset prices. A divergence in disinflation speeds among major economies could also cause currency movements that puts financial sectors under pressure.

(Source: IMF WEO, Apr 2024)

Commercial Vehicle Market

The Commercial vehicle market (MHCV and LCV) in India posted a growth of 0.6% YoY in total industry volumes (TIV), with M&HCV segment growing by 3.9% and LCV segment registering a degrowth of 1.5%.

FY24 started on modest note after a strong FY23. Urban demand remained robust, with domestic air passenger traffic and household credit exhibiting sustained double digit growth. In the case of rural demand, tractor sales improved in while two-wheeler sales moderated. Cement production and steel consumption recorded robust growth. Import and production of capital goods continued in expansion mode. Services exports posted subdued growth amidst slowing external demand. In Q1FY24, CV Demand was marginally higher compared to Q1FY23 primarily driven by MHCV Buses & Trucks and LCV segment lagging.

In Q2FY24, purchasing managers' indices (PMIs), other high frequency indicators of the services sector and IIP exhibited healthy expansion in August-September. Urban consumption remained buoyant while rural demand showed signs of revival. Investment activity was benefitted from public sector capex. Strong growth was seen in steel consumption, cement production as well as in imports and production of capital goods. This was evident from growth seen in Tractors & Tipper segments.

Merchandise exports and non-oil non-gold imports remained in contraction in although the pace of decline eased. Demand for MHCVs continued to increase compared to previous year and quarter with LCVs still lagging.

In Q3FY24, manufacturing sector gained strength with easing input cost pressures and pickup in demand conditions. Core industries recorded healthy growth. The services sector buoyancy remained intact as was reflected in high frequency indicators. GST collections were buoyant. On the demand side, festival related demand also spurred household's consumption and a gradual turnaround was seen in rural demand as reflected in sales of fast moving consumer goods (FMCG) and other indicators. Investment activity continued to be aided by buoyancy in public sector capex. Capacity utilisation in the manufacturing sector continued to remain above the long term average. TIV migration was seen from MAVs to higher GVW Tractors and TIV of tippers continued to grow. ICV Trucks saw marginal contraction in TIV compared to year ago.

In Q4FY24, economic activity continued to remain resilient. High frequency indicators of urban demand exhibited sustained expansion. Domestic air passenger traffic, passenger vehicle sales and household credit posted robust growth. Consumer durables expanded at a modest pace. Rural demand gained pace gradually, although it lagged urban demand. Motorcycle sales expanded at a rapid pace in H2FY24, while sales of tractors and fertilisers remained subdued. Steel consumption registered robust growth and cement production also grew at a healthy pace. Strong demand for residential housing and elevated public infrastructure spending also propelled construction activity. Demand for MHCVs moderated compared to a year ago (Q4FY23 saw strong growth) but still expanded on a quarterly basis. LCVs outperformed MHCVs by registering a marginal dip in TIV.

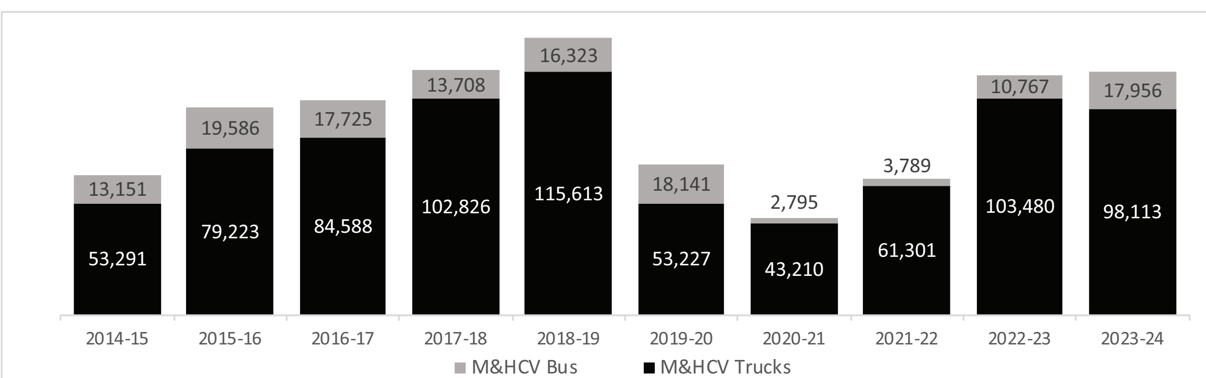
The LCV Bus segment grew by 16.8% while LCV Trucks (0-7.5T Segment) degrew by 2.9% CV exports degrew by 16.3% over last year primarily led by 17.4% drop in MHCV Trucks and 15.9% drop in LCV Trucks because of slowdown in growth and currency weakness in key Indian export markets.

Segment	Domestic			Exports		
	2023-24	2022-23	Change	2023-24	2022-23	Change
M&HCV Buses	52,472	37,841	38.7%	10,014	10,543	-5.0%
M&HCV Trucks	3,20,058	3,20,593	-0.2%	8,211	11,524	-28.7%
M&HCV Total	3,72,530	3,58,434	3.9%	18,225	22,067	-17.4%
LCV Buses	51,750	44,315	16.8%	3,631	1,799	101.8%
LCV Trucks	5,42,934	5,59,150	-2.9%	43,960	54,779	-19.8%
LCV Total	5,94,684	6,03,465	-1.5%	47,591	56,578	-15.9%
CV Total	9,67,214	9,61,899	0.6%	65,816	78,645	-16.3%

Source: SIAM Flash Report March 2024

B. ASHOK LEYLAND – THE YEAR (2023-24) IN BRIEF

Your Company sold 1,16,069 M&HCVs in the domestic market (17,956 M&HCV Buses and 98,113 M&HCV Trucks including Defence vehicles), registering a growth of 1.6% over last year. LCV with sales of 66,633 vehicles was flat compared to the previous year. Your Company was able to achieve market share of 31.1% in M&HCV Bus and Truck segment, a slight decrease of 0.7% over last year.



M&HCV Truck segment

Industry sales of commercial vehicles registered moderate growth in FY24 (over steep growth seen in FY23) on the back of continued strong economic activity supported by government's impetus on infrastructure in the country. Your company's sale in M&HCV Trucks segment (excluding Defence vehicles) in India degrew by 5.6% to 96,995 units in FY24, compared to 102,753 units in FY23. TIV migration was seen from MAVs to higher GVW Tractors in cement, coal and iron ore industries, with the TIV of tippers and tractor trailer growing primarily driven by the movement of bulk goods & construction materials. The key product launches done in FY24 for MHCV – Trucks (Domestic) include Ecomet Star 1915, 2820 G45 FES, N2825 EDPTO Transit Mixer. These products will help consolidate market position in respective segments.

M&HCV Bus segment

Industry sales of M&HCV Bus (excluding Defence vehicles) segment continued to witness strong growth of 38.7% (over multifold growth in FY23) driven by high volumes of old buses replaced by STUs and post-covid revival in inter-city & mofussil segments. Your company's sale in M&HCV Bus segment (excluding Defence vehicles) in India grew by 67% to 17,956 units in FY24, as compared to 10,764 units in FY23 driven by high volumes of old buses replaced by STUs and post-Covid revival in inter-city & mofussil segments. The key product launches done in FY24 for MHCV – Bus (Domestic) include Lynx Smart AC & Rear Air Suspension, Oyster Lite Chassis, Viking with H6 NA CNG, Lynx Max.

International Operations

In FY24, due to the ongoing geo-political conflicts, there was huge pressure on forex in our anchor markets. Bangladesh in particular, witnessed significant drop in TIV due to political unrest, currency depreciation & acute shortages of forex. In Nepal & Sri Lanka, import restrictions were imposed. On the other hand, GCC TIV grew by 33% supported by prebuy, which made GCC stand out as the bright spot and contributed to 50% of IO volumes. We made significant strides in Africa with distributor appointment in 8 new territories. Despite all the challenges, your company sold 11,853 units in IO markets, an increase of 5.0% over previous year while overall industry exports dropped 16.3% over FY23.

LCV segment

In FY24 overall LCV TIV degrew by 1.5% over FY23. Your company achieved sales of 66,633 nos. (including all models) almost similar compared to last year. During the year, your company become the #2 player in the 2-3.5T segment overtaking Tata Motors. Your company continues to remain profitable, while delivering best-in-industry SSI/CSI, lowest defects per vehicle, best-in-class warranty costs and service retention. FY24 saw launch of several new initiatives like Entrepreneur dealerships, Hyperlocal marketing, and support for focus states, all of which will help your company in the medium to long term in increasing penetration. 27 new dealerships and 118 new secondary outlets were added taking the network coverage to a total of 148 primary & 582 secondary outlets. Your company launched two new products under the Bada Dost platform - Bada Dost CNG (2.8T) & Bada Dost special anniversary edition (3.5T) & one product under the Dost Family – Dost+ CNG which helped in achieving market share of 20.4% a slight increase of 0.8% over last year.

Power Solutions Business

Robust infrastructure development and industry activities aided significant market opportunities for Power Solutions Business. Coupled with market growth, your company's expansion in industrial applications with equipment manufacturers has fueled further growth prospects. It has been a year of fortune in agricultural segment that saw transition to TREM4 in early part of the fiscal, good monsoon backed by on-going farm mechanization measures helped in the second half. This was further complemented by ease of financing, thrust on govt subsidies for purchasing harvester combines yielded us significant volumes, where our market leadership continues. Overall, your company achieved 41% volume growth and 59% revenue growth surpassing the ₹1,000 Cr mark, which is a significant accomplishment for PSB.

Defence

In FY24, your company supplied 1,116 units of completely built up units (CBUs) and 818 VFJ kits. Some highlights include Green channel certifications for 6 variants, order receipt for 1,128 nos FAT 4x4 (Field Artillery Tractor) & 252 nos GTV 6x6 (Gun Towing Vehicle) under emergency procurement.

Aftermarket

In FY24, your company improved to 2nd place in Sales & Service satisfaction and is actively focused on serving the needs of customers throughout the product life-cycle through its Aftermarket offerings. The Aftermarket business grew by 26.0% over last year and added to the overall profitability of the Company. Your Company ensured continuous availability of its extended range of parts through seamless operations at Spare Parts Warehouses, Supplier partners and Channel Partners. Targeted engagement with suppliers and logistics partners ensured that margins of Spare Parts Business were sustained, despite volatility in commodity prices. Aftermarket channel continues to see record participation from independent garages and added 114 exclusive retail parts stores increasing the count to 689 stores. Leykart, the online fulfillment mobile app for Ashok Leyland Genuine Spares, delivered growth in order fulfillment and user-participation for the fifth year in a row. Building capability of Channel partners by way of multi-modal training curriculum continues to be on priority. AL Care app continues to serve as a one-stop solution to address service needs of our customers with 2.5 lakh+ registered users.

Network

Your Company continued to expand its primary network to enhance accessibility of service across cities in India. Your Company added 134 new outlets and 1,000+ bays during the year, increasing the total count to 943 primary touch-points. To keep up with the rising commercial vehicle operations in Northern and Eastern regions of India, and the booming mining pockets in Central regions of India, your Company opened more than half of the new outlets in these regions and ~15% of sales volume came from these new outlets.

Foundry Division

The Foundry Division of your Company is mainly catering to the automotive industry in product segments of Cylinder Block, Head and Tractor Housings. For the year FY24 the Foundry division achieved the production of 94,317 MT (decrease of 3.9% over last year) and sales of 88,311 MT (decrease of 7.0% over last year).

Overall Summary

In summary, during FY24, your Company recorded total vehicle sales of 182,830 units in the domestic market and 11,853 units in the export market. Your Company continues to work as one team to overcome challenges and ramp up operations with single-minded focus and agility to fulfill the demand. Your Company continues its ambitious mission path of transformative performance, across all business segments, set in the previous years. Your Company is committed more than ever to industry-leading standards of quality, environment, safety, and health.

C. OPPORTUNITIES AND THREATS

The Indian commercial vehicle industry is cautiously optimistic about growth prospects for FY25 primarily because of the sharp growth witnessed over the last 3 years and slowdown in e-commerce. TIV growth is expected to be led by replacement demand, mandatory scrapping of older government vehicles and steady macro-economic growth. The increased allocation for capital spending in the in the Interim Union Budget 2024-25 is expected to lead to infrastructure development in segments like roads, metros, railways etc. which would in turn drive volumes for the CV industry. Furthermore, the increased focus on replacement of old vehicles and on green mobility also augurs well for the sector. Capex driven economic growth led by construction should aid growth in tippers. Development of 35 Multimodal logistics parks coupled with the digital ULIP platform (both as part of NLP) aims to improve the competitiveness of Indian logistics sector by enabling smooth movement of goods across the country. This is expected to give a fillip to hub and spoke transportation, with higher tonnage trucks being used for hub transportation and electric ICVs & LCVs being used for first and last mile transportation to the hubs. Government regulations aimed at curbing pollution are likely to incentivize the adoption of cleaner fuel options like LNG for long haulage applications. The Western & Eastern Dedicated Freight Corridor (WDFC & EDFC) are expected to be fully operational in FY25. Customers view long haul trucking could have impact from DFC by FY26/ FY27. For LCV segment growth is expected to be dragged by high base effect, slowdown in ecommerce and cannibalization from e3Ws. Meanwhile steady economic environment, declining rural inflation and interest rates should remain supportive of LCV TIV growth. On the other hand, downside risks for FY25 growth could emerge from interest rates staying higher on the back of persisting inflation, commodity costs rising on the back of escalating geo-political tensions and volatile financial market conditions.

D. RISK MANAGEMENT

During the year, the overall CV industry remained steadfast spurred by Infrastructure investments across roads, railways, metro, ports and airports. While several economies across the Globe witnessed slowdown and some of them entered into recession, India continued its growth story and has set sights on becoming $5 Trillion economy and in the process become the 3rd largest economy of the world (Currently 5th)

Your company showed growth across all business verticals namely M&HCV, LCV, IO, Defence, PSB and Aftermarket. Your company proactively managed risks in several domains viz., Supply chain risk, Geo-political risks, Competitive pressures, financial risks, product gaps, alternate fuel strategies, third party risks amongst other things.

Your Company has also converted risks to Opportunities and showcased its readiness in most of the alternative fuel product strategies with several products undergoing trails. The Company has also set itself very aggressive ESG goals in terms of carbon neutrality, 100% renewable energy, zero discharge to landfill etc. clearly aligning with the overall Vision of the Country albeit in much shorter time. The all-round efforts have enabled your company to remain agile and resilient in the increasingly competitive business environment while ensuring enhancement of stakeholder value.

Your Company's well-established Enterprise Risk Management (ERM) framework has further been enhanced through the process of benchmarking. The enhancement brings wider coverage improved processes and enlarged risk categorization which will keep the organization in good state and future ready.

The risk management process encompasses Risk Identification, analysis, evaluation, prioritization, treatment, monitoring and reporting. The significant risks identified were tabled to the Risk Management Committee ("RMC") of the Board along with a mitigation plan during the course of the year.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Given the nature of business, size and complexity of operations, your Company has designed an adequate internal control system to ensure:

a. Transactions recorded are accurate, complete, and authorised;

b. Adherence to accounting standards, complying with applicable statutes and conforming to Company policies and procedures;

c. Effective use of resources and safeguarding assets.

Your Company has complied with the specific requirements laid out under Section 134(5)(e) of the Companies Act, 2013 which calls for establishment and implementation of an Internal Financial Control framework that supports compliance to the Act in relation to the Directors' Responsibility Statement.

Your Company follows the COSO (Committee of Sponsoring Organizations of the Treadway Commission) Internal Control Framework, 2013 and The Institute of Chartered Accountants of India's Guidance Note on Audit of Internal Financial Controls Over Financial Reporting that supports in evaluating the design and operating effectiveness of internal controls in a consistent manner.

Further, your Company, through its inhouse independent and multi-disciplinary Internal Audit function with support of external experts where appropriate, carries out risk based Internal audit reviews, based on the annual Internal Audit plan as approved by the Audit Committee of the Board. The Internal Audit function reviews compliance with established design of the Internal control, while ensuring the efficiency and effectiveness of operations.

Significant deficiencies in Internal control identified if any, are tracked for closure and validated.

The summary of the Internal Audit findings and status of implementation of action plans for risk mitigation, are submitted to the Audit Committee every quarter for review, and concerns around residual risks if any, are presented to the Board.

The Company's upgraded whistle-blower policy/ vigil mechanism facilitates all employees, vendors, dealers and other stakeholders to report fraud and wrongdoings without fear of consequences.

F. INFORMATION SECURITY

Information is an invaluable asset and your organization is very committed in safeguarding the same from internal & external threats, through adoption of best practices in Information Security.

Your Organization has been certified for ISO27001:2022 which is the collection of best practices in Information Security. Your Organization has also undertaken Cyber security & Cyber maturity assessments during the FY 23-24 to identify gaps and mitigate the same.

Your Organization also has a security operations center which continuously monitors and protects the organization from cyberattacks. Your Organization has also invested in various security tools and adopted best practices to ensure the confidentiality, integrity and availability of Information remains unscathed.

G. FINANCIAL REVIEW

Summary of Profit and Loss account is given below:

₹ Crores

Particulars	**2023-24**	**2022-23**	**Inc/ (Dec) %**
Sales	38,367.03	36,144.14	6.2
Other income	246.57	116.14	112.3
Total	**38613.60**	**36,260.28**	**6.5**
Expenditure			
Material Cost	27,912.01	27,849.15	0.2
Employee benefits expenses	2,233.38	2,113.86	5.7
Finance cost	249.44	289.09	(13.7)
Depreciation and amortization	717.81	731.96	(1.9)
Other expenses	3,615.06	3,250.43	11.2
Total	**34,727.70**	**34,234.49**	**1.4**
Profit before exceptional items and tax	**3,885.90**	**2,025.79**	**91.8**
Exceptional items	(93.72)	84.61	(210.8)
Profit before tax	**3,792.18**	**2,110.40**	**79.7**
Tax expense	1,174.31	730.29	60.8
Profit after tax	**2,617.87**	**1,380.11**	**89.7**
Basic earnings per share (in ₹)	**8.92**	**4.70**	**89.8**

FY'24 has been a year of records wherein new business and financial records have been created by your Company. Your company's revenue touched a lifetime high of ₹ 38,367 Crores which is 6% higher than the previous year (₹ 36,144 Crores). Your Company also made a record profit (PAT) of ₹ 2,617 Crores, which is the highest so far (previous high was ₹ 1,983 Crores in FY'19) with a 90% growth over the previous year. The earnings per share (EPS) have grown by 90% to ₹ 8.92 per share.

MHCV truck volumes during the year were lower by 5%. However better price recovery and higher tonnage in mix during the year has offset the impact of volume reduction in revenue by ~ 1.5%.

Your Company's domestic truck market share is lower at 30.7% (32.3% in FY '23).

Industry volume in the MHCV Bus segment has witnessed a 38% growth in the current financial year and however your Company's bus volumes have recorded a 67% growth. Consequent to this better performance in the segment, your Company's market share has improved by 5.8% in FY '24 (from 28.0% in FY'23 to 33.8% in FY'24). Due to this better performance, Your Company has regained the market leader position in Bus segment. Price increases during the year fetched ~ 2.9% (point to point) in domestic MHCV buses.

Despite the domestic MHCV truck volumes being marginally lower, your company's overall MHCV volumes (Including defense) have grown by ~ 2.0% over FY'23. However, MHCV market share was lower by 0.7% in FY'24 (31.1%) over the previous year (31.8%).

Your Company's domestic LCV volumes were flat i.e. 66633 nos. in FY'24 vs 66617 nos. in FY '23. Your Company could recover ~4% during the year through price increases.

International Operations (IO) volumes for FY '24 was at 11853 nos. which is 5% higher than the previous year (11289 nos).

Your Company sold 1,94,555 Commercial vehicles (CVs) during the year, which is the second highest so far and is also 1% higher than last year's volumes (1,92,205 nos).

Domestic spare parts revenue (including service products) grew by 28% from ₹ 2,311 Cr in FY '23 to ₹ 2,958 Cr which is again an all-time high.

Power solutions (engines) volume grew to an all-time high of 32374 units in FY '24 representing a growth of 41% over FY'23 (22925 nos).

Consequent to the volume increase as well as the price recoveries, Your Company's revenues grew by 6% to ₹ 38,367 Cr over the previous year (₹ 36,144 Cr).

Costs:

Material Cost: Prices of commodities covering flat, proprietary steel, forging and aluminum went up in Q1 only to end up with a marginal increase in flat, proprietary steel & aluminum but reduction in spring steel, casting and forgings in Q2, Q3 & Q4 of FY '24. Tyre prices have been flat throughout the year. Precious metal prices during the year were also constant throughout the year.

Through various internal initiatives covering price negotiation, value engineering, turnover discounts and business share optimization, your Company managed to secure a reduction of about 1.5% in material costs during the year.

Staff Costs: Staff costs went up by 6% during FY '24 due to the associate bonus, executives increments and promotions offered during the year.

Finance Costs were substantially lower by about 14% primarily due to better management of cash and working capital during the year. No fresh long-term loans were availed during the year. Cash generated from the business was used to repay the long term and short-term loans.

Depreciation for the year is at ₹ 717.81 crores which is marginally lower than last year.

Other expenses at ₹ 3,615 crores are higher than last year by 11% reflecting the increase in volume and activity levels in non-cv businesses. All expenses covering delivery charges, production overheads, sales and administration overheads recorded an increase over last year in line with the activity increase.

Total Capital Employed by your Company increased by about 5% from ₹ 22,592 crores in FY 2022-23 to ₹ 23,612 Crores in FY 2023-24.

Total shareholder's funds as at March 31, 2024 stood at ₹ 8,810 crores, reflecting an increase of ₹ 385 Crores primarily reflecting the profit for the year ₹ 2,618 crores as reduced by dividend payout of ₹ 2217 Crores (₹ 1,453 Crores for FY'24 & ₹ 763 Crores for FY'23), other comprehensive Income - ₹ 6 Crores, other reserves reduction ₹ 10 cr.

ANNEXURE F TO THE BOARD'S REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Summary of the Balance sheet is given below:

₹ in Crores

Sources of Funds	March 31, 2024	March 31, 2023	Inc / (Dec) %
Shareholder's funds	8,810.37	8,425.80	4.6
Non-Current liabilities	2,746.18	3,093.03	(11.2)
Current liabilities	12,038.37	11,061.93	8.8
Liabilities directly associated with assets classified as held for sale	16.83	10.87	54.8
Total	**23,611.75**	**22,591.63**	**4.5**
Application of Funds			
Fixed Assets	4,597.75	4,796.80	(4.1)
Right of use asset	235.30	236.98	(0.7)
Intangible Assets	1,320.28	1,402.89	(5.9)
Investments	5,310.71	3,892.18	36.4
Loans and other non-current assets	484.62	559.16	(13.3)
Current assets	11,597.07	11,631.70	(0.3)
Assets classified as held for sale	66.02	71.92	(8.2)
Total	**23,611.75**	**22,591.63**	**4.5**

Capital expenditure and investments

During the year, your Company incurred ₹ 481 Crores towards capital expenditure predominantly towards:

a) Meeting regulatory norms towards OBD II for MHCV & LCV, CEV V & CPCB 4 norms for PSB

b) Development of new products including Green Energy vehicle models (BEV, H2 IC Engine, Fuel Cell EV) and conventional fuel models like Dost 2.2T, Project Vayu (CNG), Multi Axle Coach, ICV bus, etc.,

c) Improving manufacturing capacity and capability covering Foundry division, Frame side member, LCV & MHCV Engines

d) Procurement of staff bus and related infrastructure

e) Safety and Sustenance related improvements.

f) Creation of new manufacturing facility in Lucknow.

g) Improvement and capacity enhancement of Sales yards.

During the year, Your Company has invested ₹ 1,198 Crores in Optare & ₹ 300 Crores in OHM, ₹ 25 Crores in TVS Trucks & Buses, ₹ 15 Crores Gro Digital, ₹ 3 Crores in Vishwa Bus and Coaches Limited and ₹ 21 in others. Thus, in all your Company has invested ₹ 1,567 Crores in cash in subsidiaries during the year.

Your Company has considered impairment of its equity investment in Hinduja Energy (India) Limited for ₹ 125 Crores & Ashley Aviation for ₹ 4 Crores. There had also been other fair value changes of ₹2 Crores (favorable) during FY 2023-24.

Current assets as at March 31, 2024, were at ₹ 11,597 Crores when compared to the previous year's level of ₹ 11,632 Crores. The decrease of ₹ 35 Crores was due to a decrease in investment in mutual fund units by ₹ 2521 Crores, decrease in receivables by ₹ 492 Crores; decrease in other financial assets & other current assets by ₹ 340 crores & ₹ 129 crores respectively. With the increase coming in inventory by ₹ 416 Crores (Finished goods inventory ₹ 424 Cr but decrease in raw material and components by ₹7 Crores), increase in bank balances, cash & cash equivalents ₹ 2,937 Crores (mainly due to proceeds from sale of current investments ₹ 2600 Crores and ICD paid back by subsidiary ₹ 105 Cores (net) during the year) and increase in Loans by ₹ 95 Crores.

Liquidity

Your company could generate cash during the year primarily due to better profits. Internal accruals enabled your company to meet capital expenditure, dividend commitment, long-term loan repayments as well as working capital requirements. No fresh long-term loan was borrowed during the year. Your Company manages its liquidity through rigorous weekly monitoring of cash flows

Details of significant changes in key financial ratios:

Ratios	Formula used	FY 2024	FY 2023
Debtors turnover	Revenue from operations / average debtors	10.05	10.10
Inventory turnover	COGS / average inventory	9.36	11.48
Interest coverage ratio	Earnings before interest and tax / interest expense	24.43	11.18
Current ratio	Current assets / current liabilities	0.96	1.05
Debt equity ratio- Net	Net Debt / equity	0.01	-
Operating profit margin (%)	EBITDA / Revenue from operations	12.01	8.11
Net profit margin (%)	PAT without exceptional items / revenue from operations	7.07	3.58
Return on net worth (%)	PAT without exceptional items / total equity	30.8	15.4

The reason for change in ratios by more than 25% is mainly due to higher volumes, better price increase and consequential profitability achieved during the year ended March 31, 2024 in comparison with year ended March 31, 2023.

Profitability

Domestic MHCV volumes have maintained a steady upward momentum quarter on quarter in FY 2023-24. Commodity costs primarily steel prices which went up in Q1 and started reducing in subsequent quarters. Further your Company could improve the price recovery on domestic MHCV in both the first & second half of the year and on domestic LCV your Company could improve price recovery quarter on quarter with a little pause in the second quarter. Various initiatives covering product cost reductions, value engineering, and overhead cost reduction actions which were initiated in the earlier years were carried out during the year. Performance of other businesses covering defence, spare parts and power solutions (engines) was also good and supported your Company's performance throughout the year. All these augured well from the profitability point of view. All the above actions enabled Your Company to post consistent improvement in operating profit (EBITDA) quarter on quarter. The operating profit went up from 10.0% of net sale revenue in Q1 to 11.2% in Q2, to 12.0% in Q3 to 14.1% in Q4. (Full year 12.0%)

The financial ratings of long-term and short-term facilities / commercial paper as given by rating agencies viz., CARE and ICRA in FY '24 are given below. During Oct/Nov '23 both the rating agencies have maintained the outlook is Stable.

Agency	Long Term	Short Term Facilities / Commercial Paper
CARE	CARE AA; Stable Outlook	CARE A1+
ICRA	ICRA AA; Stable Outlook	ICRA A1+

Your Company has serviced all its debt obligations on time.

Results of Operations

Your Company generated an after-tax profit from operations of ₹ 4026 Crores in FY 2023-24 which is 57% higher than ₹ 2,563 Crores recorded in FY 2022-23. For the third consecutive year, demand for Medium and heavy commercial vehicles was positive and your company saw a steady movement of sale volume on quarter on quarter from 41329 nos in Q1 to 56139 nos in Q4. Consequently, the working capital requirement was marginally higher at the end of the year to meet the little improvement in demand. Inventory was higher by ₹ 416 Crores and trade payables reduced by ₹ 868 Crores offset by reduction in trade receivables due to good collection efforts by ₹ 495 Crores, reduction in non-current and current financial and other assets by ₹ 166 Crores, increase in non-current and current financial liabilities by ₹ 123 crores, increase in contract liabilities by ₹ 147 Crores, increase in non-current and current provisions net of reduction in other current liabilities by ₹ 273 Crores and others ₹ 11 Crores. In addition, we have remitted Interim dividend of ₹ 1,453 Crores to designated bank account leading to increase in working capital by ₹ 1,523 Crores.

Cash outflow for acquisition of fixed assets for FY 2023-24 was at ₹ 481 crores as against ₹ 488 Crores last year. Your Company also Invested ₹ 1,567 Crores in Subsidiaries and Corporate deposits (net) ₹ 100 crores met through sale proceeds of non-current investments ₹ 2,602 crores, realization from Inter corporate deposits (net) ₹ 105 crores, proceeds from bank deposits ₹ 200 crores as well as Interest & Dividend received ₹ 65 Crores & ₹ 78 Crores respectively. All this generated ₹ 902 crores from Investing activities.

Cash outflow of ₹ 1,917 crores from finance activities primarily reflect the repayment of non-current borrowings ₹ 1,105 Crores, interest & other payments of ₹ 266 Crores, dividend payment (FY '23 related) of ₹ 763 Crores offset by proceeds from current borrowings (net) ₹ 215 Crores and sale of equity shares ₹ 2 Crores.

Dividend

The Directors have recommended an interim dividend of ₹4.95 per share per equity share of ₹ 1/- each for the financial year ended Mar '24. No other dividend has been recommended by the Board for the financial year 2023-24.

Cash flow statement

₹ in Crores

Particulars	**31.03.2024**	**31.03.2023**
Profit from operations after tax	4,026.01	2,562.55
(inc)/Dec in Net working capital	(1,522.89)	(426.54)
Net cash (outflow) / inflow from operating activities	2,503.12	2,136.01
Payment for acquisition of assets – net	(481.46)	(488.35)
Cash inflow / (outflow) for investing activities	1,383.59	(1,246.18)
Cash inflow (outflow) from financing activities	(1,917.47)	(940.17)
Net cash inflow / (outflow)	**1,487.78**	**(538.69)**

The year ahead

net profit, your Company has achieved all-time high numbers. Coming in a year when your company is celebrating its 75th year of existence makes it even more special. While revenue grew by 6% YOY, net profit almost doubled to ₹ 2618 Cr (FY '23 ₹ 1380 Cr).

EBITDA margin has touched 12.0% in FY 2023-24 as against 8.1% in FY 2022-23 reflecting our focus on better price realization, efficiency in sourcing and operations coupled with softened steel prices. Revenue mix was more beneficial with the increase of volumes in high margin businesses covering spare parts, defense and power solutions.

Your Company's net debt at the end of FY 2023-24 is close to Zero thus giving the ability to invest in future growth. Market has also shown confidence in your Company's ability to grow in the future. Your Company's share price has crossed ₹ 200 per share which is ~50% appreciation from year opening levels (April '23).

There was widespread anxiety that CV industry during Q1 and Q2 would degrow because of the general election and other factors. April sale numbers have proven this wrong. The pulse on the ground is very positive. Most macroeconomic parameters are favorable. Monsoon is also expected to be normal. The country is poised to grow at a fast pace in the foreseeable future. All this augurs well for the future of CV industry.

We wish to remain cautiously optimistic for CV industry both in H1 and FY 2024-25. Your Company's product portfolio is very robust, and the future pipeline is strong. Your Company would further strengthen its mainstays of reliability and fuel economy. Your Company is confident of increasing its market share in both the trucks and bus segment in MHCV. Its medium-term goal of achieving 35% market share remains intact.

Your Company's LCV business is also gaining strength. LCV's market share in 2-3.5Tonne segment has now crossed 20% which makes your Company number two player in the segment. FY 2024-25 should see a further boost in LCV market share as your Company has plans to launch one new product every alternate month. Currently your Company is addressing about half of the LCV segment and is now looking for expansion of the product portfolio to improve its coverage to 70-80% in the next few years. The LCV segment presents a huge potential to grow your Company's volumes in future.

Your Company's market share in exports has improved significantly in the last couple of years. Many of the markets around the world, especially SAARC and some parts of Africa, have been subdued due to local and global economic conditions. Your Company was the only player in FY 2023-24 to have grown its exports volumes. This reflects the fact that its strategy for local market presence, focused product development for international markets and strong distribution relationships in key markets are working well.

Spare parts, power solutions and defence revenues have grown considerably in the current financial year and have significantly contributed to the bottom line of your company. These businesses are expected to continue to do well.

Your Company's focus on profitability remains. Your Company is not going to resort to discounting to improve market share. Your company is confident that its product superiority and expanding reach will enable it to achieve 35% market share while beefing up its margin at the same time. Your Company has recently launched its **first ever Boss electric ICV truck** and is in advanced stage of launching a fully electric 55T-tractor trailer. Customer pilots are going on with reliance on H2 ICE trucks and your Company is ready to deliver to NTPC its first set of Fuel Cell Buses. Your Company's first LNG trucks were delivered earlier to MGL and are delivering robust performance. Your Company now has a complete portfolio of alternate fuel vehicles on the market.

Switch and Ohm are progressing well, and Switch has just started delivering its first e-LCVs to the market. Already more than 900 electric buses are plying on the roads and have covered more than 1 million green kilometers through the electric vehicles. The Second offering in the e-LCV space is planned for launch in the next few months. Both these vehicles should be segment first and have the potential to transform the last mile mobility in the Country. Switch would continue to focus on developing a wide range of electric products in the Bus and LCV segments with a goal to achieve leadership backed up by best-in-class product performance and efficiency. Ohm our e-Maas Company has now been fully active and are now managing electric bus operations in Bangalore, Ahmedabad, Bihar and Chandigarh.

H. HUMAN RESOURCES

During the year under review, the total number of people on the rolls of the Company is 9,607. Material developments in the Human Resource / Industrial Relations front have been detailed under the head "Human Resource" in the Board's Report.

ANNEXURE G TO THE BOARD'S REPORT

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFIER AND WHOLE TIME DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD

To
The Board of Directors,
Ashok Leyland Limited,
Chennai 600 032.

We, Shenu Agarwal, Managing Director and Chief Executive Officer and Gopal Mahadevan, Director - Strategic Finance and Merger & Acquisition and Chief Financial Officer of Ashok Leyland Limited certify that:

A. We have reviewed the Financial Statements and the Cash Flow Statement for the year and to the best of our knowledge and belief:

   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. These statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The Financial Statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's Code of Conduct

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and to the Audit Committee:

   1. That there are no significant changes in internal control over financial reporting during the year;

   2. That there are no significant changes in accounting policies during the year;

   3. That there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

	Shenu Agarwal	**Gopal Mahadevan**
Date : May 24, 2024	Managing Director and	Director - Strategic Finance and Merger
Place : Chennai	Chief Executive Officer	& Acquisition and Chief Financial Officer

ANNEXURE H TO THE BOARD'S REPORT
SECRETARIAL AUDIT REPORT

To
The Members
ASHOK LEYLAND LIMITED
No. 1, Sardar Patel Road
Guindy, Chennai – 600 032

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. I further add due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Signature:
Name of Company Secretary in Practice : B.CHANDRA
ACS No.: 20879
C P No.: 7859
UDIN: A020879F000437559

Place : Chennai
Date : 24-05-2024

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
ASHOK LEYLAND LIMITED,
No. 1, Sardar Patel Road,
Guindy, Chennai – 600 032

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ASHOK LEYLAND LIMITED bearing CIN L34101TN1948PLC000105 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

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

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;

   c. The Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations 2015;

   d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021

e. The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations 2018

(vi) I am informed that the Company, during the year, was not required to comply with the following regulations and consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns under:

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

b. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

c. Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013

(vii) In addition to the compliance with Factory and Labour Laws as are applicable to a factory, based on the study of the systems and processes in place and a review of the reports of (1) the heads of the Departments; (2) Occupier/Manager of the factories located in Ennore, Sriperumbudur; Hosur (3 units), Bhandara, Alwar, Pantnagar, Vellivoyalchavadi and Vijayawada which manufacture Automobiles and Spare Parts; (3) the compliance reports made by the functional heads of various departments which are submitted to the Board of Directors of the Company; (4) a test check on the licences and returns made available on other applicable laws, I report that the Company has complied with the provisions of the following industry specific statutes and the rules made there under as well as other laws to the extent it is applicable to them:

- Motor Vehicles Act, 1988
- The Motor Transport Workers Act, 1961
- The Explosive Act, 1884
- The Petroleum Act, 1934
- The Environment (Protection) Act, 1986
- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Based on the minutes made available to us, we report that majority decision is carried through and that there were no dissenting votes from any Board member that was required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor, report deviations to the Board, take corrective actions and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year under review the company had allotted 2,00,000 Equity shares to the Whole Time Director of the Company pursuant to exercise of options granted under the Ashok Leyland Employees Stock Option Plan 2016.

Further, the Board of Directors of Hinduja Leyland Finance Limited, a material subsidiary of the Company, had approved a Scheme of Merger with NDL Ventures Limited (formerly NXTDIGITAL Limited), is pending receipt of necessary approvals from various statutory and regulatory authorities.

Signature:
Name of Company Secretary in Practice : B.CHANDRA
ACS No.: 20879 C P No.: 7859

Place : Chennai — PEER REVIEW Certificate No 602/2019
Date : 24-05-2024 — UDIN: A020879F000437559

ANNEXURE I TO THE BOARD'S REPORT
ANNUAL REPORT ON CSR ACTIVITIES FOR THE FY 2023-24

1. Brief outline on CSR Policy of the Company:

   The Company has always been in the forefront of providing a dedicated approach to social development through various Corporate Social Responsibility initiatives. Recognizing the need and the tremendous opportunity to transform the lives, the Company is committed to work on interventions that lead to sustainable development of the society in areas which are of importance at a national level. The projects undertaken by the Company are within the broad framework of Schedule VII of the Companies Act, 2013 and as per the Company's CSR Policy. The Company's CSR policy is available on the Company's website in the link as provided in page no.72 of this Annual Report.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Nature of Designation / Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Dheeraj G Hinduja	Executive Chairman / Chairman of the CSR Committee	2	1
2.	Ms. Manisha Girotra	Independent Director / Member of the CSR Committee	2	1
3.	Mr. Sanjay K Asher	Independent Director / Member of the CSR Committee	2	2
4.	Mr. Shenu Agarwal	Managing Director & Chief Executive Officer / Member of the CSR Committee	2	1

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company: https://www.ashokleyland.com/managementteam and https://www.ashokleyland.com/investor/policies

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.:

   The impact assessment reports in respect of the contributions made by the Company to M/s. Hinduja Foundation towards type 1 Diabetes Mellitus Research and Water projects is uploaded on the website in the link https://www.ashokleyland.com/investor/policies.

5.

(a)	Average net profit of the Company as per sub-section (5) of Section 135:	₹ 519.31 Crores
(b)	Two percent of average net profit of the Company as per sub-section (5) of Section 135:	₹ 10.39 Crores
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:	Nil
(d)	Amount required to be set-off for the financial year, if any:	₹ 10.39 Crores
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]:	Nil

**During the FY 2022-23, the Company had spent ₹ 15.16 Crores towards CSR as against the obligated CSR spend of ₹ 0.11 Crores. Hence, the excess amount of ₹ 15.05 Cr. relating to FY 2022-23 is available for set-off during the FY 2023-24, FY 2024-25 & FY 2025-26. Out of this excess, ₹10.39 Cr. has been set off against the CSR obligation for the FY 2023-24. The balance amount of ₹ 4.66 Cr. is available for set-off during the FY 2024-25 and FY 2025-26.*

6.

(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):	₹ 15.48 Crores
(b)	Amount spent in Administrative overheads:	₹ 0.82 Crores
(c)	Amount spent on Impact Assessment, if applicable:	Nil
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]:	₹ 16.30 Crores

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹ Crores)	Amount Unspent (in ₹ Crores)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
16.30	Nil	Nil	Nil	Nil	Nil

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in ₹ Crores)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135*	Nil
(ii)	Total amount spent for the Financial Year	16.30
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	16.30
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	16.30

**After setting off the excess CSR amount relating to FY 2022-23 as specified in notes to point no. 5 above.*

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹ Crores)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹ Crores)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹ Crores)	Date of transfer		
1.	FY 2020-21	15.51	4.29	4.29	0.17	20.09.2021		-
2.	FY 2021-22	0.32	-	-	0.09	20.09.2022	-	-
3.	FY 2022-23	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not applicable							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: Not applicable

May 24, 2024
Chennai

Dheeraj G Hinduja
Executive Chairman and
Chairman of CSR Committee

Mr. Shenu Agarwal
Managing Director &
Chief Executive Officer

LINKS TO COMPANY'S POLICIES AND DISCLOSURES

S.No	Particulars	Link
1.	Dividend Distribution Policy	Click here
2.	Material Subsidiary Policy	Click here
3.	Audited Financial Statements of subsidiaries	Click here
4.	Terms and conditions of appointment of the Independent Directors	Click here
5.	Director's familiarization programme	Click here
6.	Annual Return	Click here
7.	Remuneration Policy	Click here
8.	Disclosure on ESOP	Click here
9.	Related Party Transactions Policy	Click here
10.	Corporate Social Responsibility Policy	Click here
11.	Vigil Mechanism / Whistle Blower Policy	Click here
12.	Code of Conduct	Click here
13.	Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015	Click here
14	All policies	Click here

ANNEXURE J TO THE BOARD'S REPORT

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Section A: General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the listed entity	L34101TN1948PLC000105
2.	Name of the Listed Entity	Ashok Leyland Limited
3.	Year of incorporation	1948
4.	Registered office address	No. 1, Sardar Patel Road, Guindy, Chennai – 600 032
5.	Corporate address	No. 1, Sardar Patel Road, Guindy, Chennai – 600 032
6.	Email	secretarial@ashokleyland.com
7.	Telephone	044 – 2220 6000
8.	Website	www.ashokleyland.com
9.	Financial year for which reporting is being done	April 1, 2023, to March 31, 2024
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd and National Stock Exchange of India Limited
11.	Paid-up Capital	INR 293.63 Crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Alok Verma Head Corporate Strategy & ESG Telephone: 044 – 2220 6081 Email: Alok.Verma@ashokleyland.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis The reporting of data on safety incidents, water consumption, waste generation, and air emissions from Sales Offices has not been accounted for in the current reporting period. However, AL plans to implement procedures to track and document these figures in the future.
14.	Name of assurance provider	DNV Business Assurance India Private Limited ("DNV")
15.	Type of assurance obtained	Reasonable Assurance – Core Attributes

II. Products or Services

16. Details of business activities *(accounting for 90% of the turnover):*

Sl. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacture and sale of Medium and Heavy Commercial Vehicles	Automobile Manufacturing	72.6
2.	Manufacture and sale of Light Commercial Vehicles	Automobile Manufacturing	11.7
3.	Spare Parts and Others	Automobile Manufacturing	8.7

17. Products/Services sold by the entity *(accounting for 90% of the entity's Turnover):*

Sl. No	Product/Service	NIC Code	% of total Turnover contributed
1.	Trucks Medium & Heavy Commercial Vehicles (M&HCV)	29102	60.3
2.	Bus Medium & Heavy Commercial Vehicles (M&HCV)	29109	12.3
3.	Light Commercial Vehicles (LCV)	29104	11.7
4.	Spare Parts and Others	50300	8.7

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	9	47*	56
International	0	0	0

**Out of forty-seven offices, forty-five offices are the sales offices that come under the control of Ashok Leyland.*

19. Markets served by the entity

a. No. of Location

Locations	Number
National (No. of States)	28
International (No. of Countries)	47

b. What is the contribution of exports as a percentage of the total turnover of the entity — 4.47

c. A brief on types of customers

Ashok Leyland, the Indian flagship company of the Hinduja Group, and the country's leading commercial vehicle manufacturer is headquartered in Chennai, India. It is the second-largest manufacturer of commercial vehicles in India, the fourth-largest manufacturer of buses in the world, and the nineteenth-largest manufacturer of trucks. Ashok Leyland serves a diverse set of customers and markets. The primary categories of customers they cater to:

1. **Commercial Fleet Operators:** A significant portion of Ashok Leyland's customers are commercial fleet operators who purchase trucks and buses for transportation and logistics purposes. These include but not limited to long-haul transporters, local delivery services, and logistics companies. Ashok Leyland provides buses suitable for transportation of corporate workforce and to educational institutions such as schools and colleges. It also provides buses to private players who operate intercity travel and tourist movement.
2. **Retail:** These are small fleet or single commercial vehicle owners who purchase and operate vehicles for their own purposes. Ashok Leyland supplies vehicles as well as gensets to cater to the needs of these customers.
3. **Government**: The next major customer segment includes government agencies like the state transportation departments that procure buses for public transportation systems within

cities and states, municipal corporations and panchayats that procure trucks for solid waste management, other union and state government department that procure buses and trucks for transportation of personnel and goods. Ashok Leyland is the largest supplier of buses for the State Transport undertakings in India.

4. **Industrials**: Ashok Leyland also manufactures vehicles like Tippers and Transit Mixers that are used in construction and mining operations. The Ashok Leyland product portfolio also has diesel engines for industrial, genset, agricultural and marine applications.

5. **Defence**: With the largest fleet of logistics vehicles deployed in the Indian Army and significant partnerships with armed forces across the globe, Ashok Leyland's vehicles for Defence and Special applications helps keep borders secure.

6. **International Markets**: The Company exports its vehicles to various countries in the Middle East, Africa, South Asia, and Latin America, and a few countries in Commonwealth of Independent States (CIS) catering to similar sectors as the domestic market.

7. **Special Application Vehicles**: Ashok Leyland also manufactures vehicles for special applications such as Tanker trucks for Petroleum, Oil and Lubricants (POL) and Chemicals transportation, Reefers for refrigerated goods transport, ambulances, and other custom-built vehicles as per the specific requirements of clients. It is also one of the largest providers of ultra-low entry buses for Tarmac application.

Ashok Leyland's customer base is very broad, and the customises their vehicles to meet the needs of different sectors and industries, ensuring utility, reliability, and efficiency.

IV. Employees

20. Details as at the end of Financial Year

a. Employees and workers (including differently abled)

Sl. No	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	5,003	4,697	93.88%	306	6.12%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total Employees (D+E)	5,003	4,697	93.88%	306	6.12%
Workers						
4.	Permanent (F)	4,604	4,575	99.37%	29	0.63%
5.	Other than Permanent (G)	22,167	21,273	95.97%	894	4.03%
6.	Total Workers (F+G)	26,771	25,848	96.55%	923	3.45%

b. Differently abled employees and workers

Sl. No	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled Employees						
1.	Permanent (D)	15	15	100%	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total Employees (D+E)	15	15	100%	0	0
Differently abled Workers						
4.	Permanent (F)	55	55	100%	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total Workers (F+G)	55	55	100%	0	0

21. Participation/Inclusion/Representation of Women

	Total	No. and percentage of females	
	(A)	No. (B)	% (B/A)
Board of Directors	11	1	9.09
Key Management Personnel	3*	0	0

**In terms of Section 203 of the Companies Act, 2013*

22. Turnover rate for permanent employees and workers

	FY 2023-24			**FY 2022-23**			**FY 2021-22**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Permanent Employees	7.62%	10.05%	7.77%	5.16%	11.51%	5.53%	6.06%	11.96%	6.43%
Permanent Workers*	3.44%	0.00%	3.42%	4.23%	0%	4.20%	0.10%	0%	0.10%

*Turnover rate has changed for the last 2 years since the ward worker trainees have been excluded from the headcount of the permanent workers category

ANNEXURE J TO THE BOARD'S REPORT
BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of holding/subsidiary/associate companies/joint ventures

Sl. No	Name of the holding/ subsidiary/associate/ companies/ joint ventures (A)	Indicate whether holding/subsidiary/ associate/joint venture	% of shares held
1	Hinduja Automotive Limited, U.K.	Holding	50.87
2	Albonair GmbH, Germany	Wholly owned subsidiary	100
3	Albonair (Taicang) Automotive Technology Co., Ltd, China	Wholly owned subsidiary (Step down)	100
4	Albonair (India) Private Limited	Wholly owned subsidiary	100
5	Ashok Leyland (Nigeria) Limited	Wholly owned subsidiary	100
6	Ashok Leyland (Chile), S.A.	Wholly owned subsidiary	100
7	Ashok Leyland Foundation*	Wholly owned subsidiary	100
8	OHM Global Mobility Private Limited	Wholly owned subsidiary	100
9	Ashley Aviation Limited	Wholly owned subsidiary	100
10	Ashok Leyland (UAE) LLC (including shareholding held in beneficial position)	Wholly owned subsidiary	100
11	LLC Ashok Leyland Russia	Wholly owned subsidiary (Step down)	100
12	Ashok Leyland West Africa SA	Wholly owned subsidiary (Step down)	100
13	Vishwa Buses and Coaches Limited	Wholly owned subsidiary	100
14	Gulf Ashley Motor Limited	Subsidiary	93.15
15	Optare Plc., U. K	Subsidiary	92.59
16	Optare UK Limited	Subsidiary (Step down)	92.59
17	Switch Mobility Limited, UK (formerly Optare Group Limited)	Subsidiary (Step down)	91.26
18	Switch Mobility Automotive Limited	Subsidiary (Step down)	91.26
19	Switch Mobility Europe S.l., Spain	Subsidiary (Step down)	91.26
20	HLF Services Limited	Subsidiary	81.72
21	Gro Digital Platforms Limited	Subsidiary	80.2
22	Hinduja Tech Limited	Subsidiary	73.22
23	Hinduja Tech GmbH, Germany	Subsidiary (Step down)	73.22
24	Hinduja Tech Inc., USA	Subsidiary (Step down)	73.22
25	Hinduja Tech (Shanghai) Co., Limited	Subsidiary (Step down)	73.22
26	Hinduja Tech Canada Inc., Canada	Subsidiary (Step down)	73.22
27	Drive System Design Limited, UK	Subsidiary (Step down)	73.22
28	Drive System Design Inc., USA	Subsidiary (Step down)	73.22
29	Drive System Design s.r.o., Czech	Subsidiary (Step down)	73.22
30	Hinduja Tech Limited, U. K	Subsidiary (Step down)	73.22
31	OHM International Mobility Limited	Subsidiary (Step down)	73.01
32	Global TVS Bus Body Builders Limited	Subsidiary	66.67
33	Hinduja Leyland Finance Limited	Subsidiary	60.40
34	Hinduja Housing Finance Limited	Subsidiary (Step down)	60.40
35	Gaadi Mandi Digital Platforms Limited	Subsidiary (Step down)	60.40
36	Ashley Alteams India Limited	Joint Venture	50
37	TVS Trucks and Buses Private Limited	Joint Venture	49.90
38	Ashok Leyland Defence Systems Limited	Associate	48.49
39	Mangalam Retail Services Limited	Associate	37.48
40	ZeBeyond Limited, U.K.	Joint Venture of Subsidiary	36.61
41	Lanka Ashok Leyland PLC	Associate	27.85
42	Rajalakshmi Wind Energy Limited	Associate	26
43	Prathama Solar Connect Energy Private Limited	Associate	26
44	HR Vaigai Private Limited	Associate	26
45	Ashok Leyland John Deere Construction Equipment Company Private Limited (Under liquidation process)	Joint Venture	46.90

*Incorporated on February 11, 2024. As on March 31, 2024, the Company has not subscribed to the capital.

Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)

Yes, there are instances where joint initiatives have been carried out. However, Subsidiaries/Associates/ Joint Ventures also independently manage their own business responsibility initiatives.

VI CSR Details

24.	(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
	(ii)	Turnover (in INR Crore)	38,367.03
	(iii)	Net Worth (in INR Crore)	8,810.37

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Stakeholder group whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remark	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remark
Communities	No	0	0	-	0	0	-
Investors (other than shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	10	0	-	13	0	-
Employees and workers	Yes POSH Policy	32	0	POSH, Working conditions, Health, and Safety	19	0	-
Customers	Yes	1,465	192	Complaints from Reach us (secretarial or mail directly to MD), AL India Official Social Media accounts	1,041	179	Reach us and secretarial. Or directly to MD AL India official twitter account
Value Chain Partners	Yes Whistle-blower Policy	3	2	Part of Whistle-blower Policy.	0	0	-
Others (please specify)	No	0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate positive or negative implications
1	Product, Safety, Quality, and Innovation	Opportunity	The Company's dedication to innovation, ensuring product safety, and meeting quality standards enhances its brand value and solidifies customer trust.		- Reduced product recalls

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate positive or negative implications
2	Customer Relationships and Satisfaction	Risk	Ensuring that the Company's products and services exceed customer expectations helps to avoid costly litigation, strengthens customer trust, and boosts sales.	- Provision of transparent information and honest advice regarding its products and services.	- Lower revenue - Financial obligation due to litigation
				- Enhancement of customer relationships and responsiveness to their needs, utilising initiatives like PRISM 2.0, LEAD, SELECT, and i-alert. - Maintenance of an attentive aftersales service, including a 24/7 toll-free call center, website, social media, and a dedicated complaint management system for prompt resolution of issues.	
3	Business Growth and Profitability	Risk	The Company's failure to absorb losses due to unexpected contingencies and sudden external shocks could have severe repercussions, threatening the business's sustainability.	- Implementing robust Environmental, Social, and Governance (ESG) policies. - Developing systems and processes centered on sustainability. - Crafting a business model resilient to disruptions.	- Financial losses - Depletion of reserves
4	Regulatory Compliance	Risk	Violating regulatory compliance typically incurs legal punishment, such as fines and penalties.	- Cultivating an ethical organisational culture with an emphasis on transparency and compliance. - Routinely conducting risk assessments to pinpoint and address potential compliance risks.	- Fines and Penalties
5	Road and Occupational Safety	Opportunity	The Company's implementation of health and well-being initiatives is leading to higher employee productivity and lower attrition, while its road safety awareness programmes are effectively promoting adherence to safety rules among the community and drivers.		- Lower talent acquisition costs - Lower injury rate
6	Inclusive growth with community development	Opportunity	The Company secures goodwill with local and marginalised communities by implementing community development programmes, thereby affirming its social license to operate.		Increase in revenue share from socially conscious customers
7	Sustainable Supply Chain and Sourcing	Opportunity	The Company commits to maintaining a supply chain that is environmentally friendly, locally sourced, and socially responsible, contributing to both stability and diversity as well as generating local job opportunities.		- Lower raw material procurement cost - Reduction in transportation costs

ANNEXURE J TO THE BOARD'S REPORT
BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate positive or negative implications
8	Recruitment and Talent Retention	Opportunity	Initiating employee benefit schemes, providing competitive salaries, and embracing workforce diversity are strategies the Company employs to retain top talent and foster diverse perspectives in its decision-making process.		Reduced recruitment cost
9	Grievance Mechanism	Opportunity	The establishment of a strong grievance redressal mechanism by the Company reinforces adherence to regulations and cultivates trust among customers, investors, and employees.		- Legal fines and penalties - Dissolution of business
10	Cybersecurity	Risk	The Company risks economic and reputational losses, as well as diminished customer trust, due to insufficient data security and privacy protections.	- The deployment of robust information security systems and the enactment of stringent policies for handling sensitive customer data. - The establishment of an Information Security/Cybersecurity policy that is accessible to all employees within the organisation.	- Regulatory fine and penalty - Legal fees in case of customer lawsuits - Loss of customers
11	Resource Optimisation and Operational Eco-Efficiency	Opportunity	By optimizing resource utilisation, the Company not only enhances its operational efficiency but also appeals to eco-conscious customers.		- Lower Operational Cost - Increase in revenue share from environmentally conscious customers
12	Human Rights	Risk	Non-compliance with human rights norms risks incurring penalties and reputational harm.	The Company ensures adherence to international and national human rights standards across its operations and throughout its value chain.	- Regulatory fine and penalty - Reduced access to capital from socially conscious investors - Reduced costs relating to talent acquisition
13	Anti-Bribery and Corruption	Risk	The Company faces the risk of legal fines, penalties, reputational damage, business disruption, and a loss of trust if it fails to comply with ethical business practices.	- Fortifying internal controls for rigorous compliance with all pertinent regulations. - Crafting comprehensive programmes aimed at heightening ethical awareness and education among internal stakeholders. - Implementing a robust and responsive whistle-blower and grievance redressal framework to empower transparency and accountability.	- Legal Fines and Penalties - Dissolution of business
14	Training and Education	Opportunity	The Company is committed to providing skill enhancement and qualification opportunities to employees, fostering career advancement, and leading to improved employee retention.		Reduced costs relating to talent acquisition

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate positive or negative implications
15	Labour Management Relationship	Risk	The Company actively supports its workers' and employees' right to form unions and negotiate collectively, leading to increased satisfaction among the workforces.	- Encouraging employees and workers to join autonomous unions. - Engaging with union representatives to further the well-being of workers and employees.	Reduced costs relating to talent acquisition
16	Anti-Competitive Practices	Risk	The Company risks incurring legal repercussions, tarnishing its reputation, suffering business interruptions, and diminishing trust if it fails to uphold ethical business practices.	- Establishing internal controls to enhance adherence to relevant laws. - Creating a strategy for awareness programmes and ethical practice training for internal stakeholders. - Setting up a robust whistle-blower and grievance resolution system.	- Legal Fines and Penalties - Dissolution of business

Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements:

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	Policies (ashokleyland.com)								
2.	Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Yes. Policies are developed considering relevant national acts like the Factories Act, 1948, the Companies Act 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and various other Statutes which refers to National / International codes, certifications, labels, and standards								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Ashok Leyland has identified and set goals and targets for each principle along with defined timelines. The following are the goals committed by the Company: - Net Zero – Achieve Net Zero by 2048 - Carbon Neutrality – Achieve Carbon Neutrality in operations by 2030. - RE100 – Committed to RE100 by 2030 across operations. - Water Positivity - Attain 80% self-reliance on Water by 2030 - Resource Efficiency - Zero Waste to Landfill across business operations. - Diversity, Equity, and Inclusion - Improve gender diversity across business operations. - Health and Safety – Instil a Zero Harm Work environment. - Community Development - Improved coverage of Road to school, Road to Livelihood, and Jal Jeevan - Board Independence & Practices - Improve Board Diversity - Compliance - Compliance with Competitiveness in ESG creating business value								

6.	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	The performance of the commitments on each goal and targets are reviewed on a periodic basis by the respective internal team. The performance for each topic is depicted in the Annual Report FY 2023-24.
Governance, Leadership, and Oversight		
7.	Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	Ashok Leyland is committed on efforts to integrate sustainable practices, adapt to changing market dynamics, and meet evolving stakeholder expectations while also providing enhanced disclosures that underscores our dedication to various aspects of ESG. The Company endeavours to be at the forefront of the sustainability agenda by engaging with multiple stakeholders at COP28 and many other leading forums and pioneering several initiatives within the ecosystem. Towards aligning with the ESG vision, focus areas and ESG policy, AL has identified ESG metrics with specific targets cascaded to functions and businesses and aligned to leadership KRA's. Ashok Leyland has committed not only on a standalone basis but also on behalf of its subsidiaries ESG commitments of Carbon neutral operations by 2030 and Net Zero by 2048. Ashok Leyland was empanelled to RE100 by committing to 100% Renewable electricity by 2030 and committed to Science Based Targets Initiative (SBTi). Ashok Leyland has developed multiple technologies to transition towards complete array of alternate fuel products/new Energy such as Battery Electric, Hydrogen ICE, Fuel Cell, LNG and CNG. Ashok Leyland has showcased an impressive array of future-ready vehicles such as 9m Hydrogen Fuel Cell Bus, AVTR LNG 6×4 Tractor, 55T EV Tractor and Switch IeV4 Electric LCV, 14T Boss Electric Truck in the Bharat mobility expo. Towards democratising zero carbon mobility global EV-only organisation Switch Mobility has clocked over one hundred million green kilometres around the globe enriching lives through green mobility. On the sustainable manufacturing front, the Company has focused on sustainable water management initiative towards reducing the water intensity, conducting energy audit, and improving energy productivity, augmenting roof top & solar park capacity, objective assessment of carbon sequestration through afforestation and progressing on zero waste to landfill status. Ashok Leyland plans to extend the same to the upstream and downstream processes to the suppliers and dealers in FY25. Ashok Leyland has finalised the tie-up with Registered Vehicle Scrapping Facility (RVSF) placing AL in a strategic position on our road to circularity and reducing our environmental footprint. Towards providing holistic development opportunities the company has transformed the lives of 191,858 students from 1,719 schools across seven states as part of the Road to School and Road to Livelihood initiatives. Ashok Leyland's commitment to Corporate Governance goes beyond mere conformity with regulatory and legal mandates. The Company implemented and disclosed a comprehensive set of policies on the website towards improving the transparency. Ashok Leyland has also disclosed the ESG profile in the ESG microsite (ESG world). The Company has also participated in improving disclosures by taking part in the ESG rating program of S&P Global Corporate Sustainability Assessment (DJSI – Dow Jones Sustainability Index).
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Alok Verma Head of Corporate Strategy & ESG
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Board has constituted the Environmental, Social and Governance Committee ('ESG Committee') to oversee the sustainability related issues. The details for the same is mentioned in Annexure C to the Board's Report.

10.	Details of Review of NGRBC by the Company:																	
Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/Any other committee									Frequency (Annually/Half Yearly/Quarterly/Any other – please specify)								
	P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	All policies are reviewed periodically or on need basis from time to time and updates are made wherever required.								
Compliance with statutory requirement of relevance to the principles &, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	A	A	A	A	A	A	A	A

11.	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9
		N	N	N	N	N	N	N	N	N

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated									
Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA
**A – Annually, Y - Yes, N – No, NA – Not Applicable*									

Section C: Principle Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership." While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	**Total number of training and awareness programmes held**	**Topics/Principles covered under the training and its impact**	**%age of persons in respective category covered by the awareness programmes**
Board of Directors	11	Compliance Management, Environment, Social, Governance, Human Resource, Social Well-being and Customer Satisfaction	100
Key Managerial Personnel	1	Succession Planning	100
Employees other than BoD and KMPs	756	Behavioural trainings & Functional trainings	83
Workers	258	Health and Safety, POSH, Financial planning, Technology, Quality, Behavioural, Functional, Technical and Lifestyle Management trainings	100

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	Nil, as there were no monetary fines/penalties/punishment/award/compounding fees/ settlement amount during the financial year.				
Settlement					
Compounding Fee					

Non-Monetary				
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	Nil, as there were no non-monetary fines/penalties/punishment/award/compounding fees/ settlement amount during the financial year.			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Nil	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy

Code of Conduct policy for executives communicates the desired standards of behaviour expected out of all executives includes Anti-Corruption and Anti-Bribery covering dealing with Gifts, Bribes, or corruption in any form. The policy is available in the Code of Conduct which is available in the Company website.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payable	76	78

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameters	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0.06	0.08
	b. Number of trading houses where purchases are made from	4	4
	c. Purchases from top ten trading houses as % of total purchases from trading houses	0.06	0.08
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	91.2	95.6
	b. Number of dealers/ distributors to whom sales are made	1,136	1,023
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	25.2	26.4
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	0.06	0.05
	b. Sales (Sales to related parties / Total Sales)	0.03	0.03
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	0.42	0.01
	d. Investments (Investments in related parties/Total Investments made)	1.00	0.99

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Strategic Partners Meet	Sourcing and Supply Chain (SSC) requirements including ESG goals	>70
Supplier Summit	Sourcing and Supply Chain (SSC) requirements including ESG goals	>90
World Resources Institute Engagement with 10 MSMEs	ESG skilling programmes	<0.1

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company receives disclosures/declarations from its Board members regarding their Directorship/Committee/shareholding on an annual basis. The Company ensures that all requisite approvals are in place as required under various statutes before transacting with such entities/individuals. The interested Directors do not participate in agenda items at the Board/Committee Meetings in which they are deemed to be interested. The Company has also devised a Code of Conduct for its Board Members.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	27	27	• **Process:** Emission reduction projects like OBD II Norms, CEV V, CPCB IV, Euro 6 and fuel efficiency improvement projects, Alternate Energy vehicle development like EV, LNG, CNG, H2, FCEV vehicle, EV Staff bus • Defence projects, Water conservation projects • **People:** Safety improvement projects and features like ADAS, Electronic stability control, Fire suppressant system -FAS and FPS implementation in School bus, Central locking, Engine brake system; Improvement of Driver comfort and ergonomics with features like AMT, Air suspension

Capex	26	15	• **Process:** Investments related to Emission reduction projects, manufacturing facilities & tooling related to alternate energy vehicle development, Usage of alternate energy (Electric, LPG, CNG), Water conservation projects, Sewage treatment improvements, Noise pollution reduction, LEDification, • Scrap management improvements, Investment related to Defence projects. • **People:** Safety improvements related to fire, electrical, working at heights etc, Security improvement with face reader, turnstile & CCTV, Restroom improvements, Improvements in canteen capacity and infrastructure, AC / fan for employees, Air quality and ventilation improvements, Drinking water facilities

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, Ashok Leyland has devised a procedure to source materials sustainably through our **Supplier Code of Conduct**. This proactive approach guarantees the fulfilment of production demands while safeguarding the environment from the potential negative effects of operations. The Supplier Code of conduct and Supplier ESG assessment and development process is disclosed on company website.

b. If yes, what percentage of inputs were sourced sustainably?

Yes, we comply with 100 percent of all environmental and social regulations set by the local authorities. At Ashok Leyland, we have a large network of suppliers, and we encourage them to adopt the same sustainability standards that we practice. Our endeavour is to prioritise environmental and social risk parameters and have formal mechanisms in place to monitor and track its performance.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

Recycling of Cast Iron and Aluminium done at Ashok Leyland Foundry and ALteams respectively. 85.83% of cast iron is recycled from Foundry and 19.8% of Aluminium recycled at ALteams. As part of Recon initiative totally 5,561 engines have been reconditioned which is a 32.5% increase compared to FY23. Ashok Leyland has finalised the tie-up with Registered Vehicle Scrapping Facility (RVSF) placing AL in a strategic position on our road to circularity and reducing our environmental footprint.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same

Yes, Extended Producer Responsibility (EPR) registration has been done in the Central Pollution Control Board (CPCB) Portal for Plastic Waste management.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
During the financial year, Ashok Leyland conducted a simplified LCA exercise covering few of its product. The LCA was conducted for products "from cradle to the grave". However, AL will be conducting a detailed LCA study for all its product range in the future.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Name of Product/Service	Description of the risk/concern	Action taken
During the simplified exercise conducted on few of its products, there were no social or environmental concerns arising from production or disposal of products. However, AL will be conducting a detailed LCA study for all its product range in the future.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	**FY 2022-23**
Cast Iron	85.83% (Overall Production of 94,317 MT)	85.85% (Overall Production of 98,117 MT)
Aluminum	19.8% (Overall Production of 6,715 MT)	Not Available

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2023-24			FY 2022-23		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	Plastic Recycling as part of EPR compliance to meet the compliance mandate of 1,694 MT by CPCB			NA – Not Available		
E-Waste						
Hazardous Waste						
Other Waste						

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Available	

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	4,697	4,697	100	4,697	100	0	0	4,697	100	2,178	46.37
Female	306	306	100	306	100	306	100	0	0	158	51.63
Total	**5,003**	**5,003**	**100**	**5,003**	**100**	**306**	**6.12**	**4,697**	**93.88**	**2,336**	**46.69**
Other than Permanent Employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

b. **Details of measures for the well-being of workers**

Category	% of workers covered by										
	Total (A)	Health Insurance*		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	4,575	4,575	100	4,575	100	0	0	0	0	4,575	100
Female	29	29	100	29	100	29	100	0	0	29	100
Total	**4,604**	**4,604**	**100**	**4,604**	**100**	**29**	**0.63**	**0**	**0**	**4,604**	**100**
Other than Permanent Workers											
Male	21,273	21,273	100	21,273	100	0	0	0	0	21,273	100
Female	894	894	100	894	100	894	100	0	0	894	100
Total	**22,167**	**22,167**	**100**	**22,167**	**100**	**894**	**4.03**	**0**	**0**	**22,167**	**100**

**AL facilitates the health insurance coverage for its permanent workers by centralising the negotiation of terms and the payment of premiums upfront. While for the non-permanent workforce, AL ensures to they have the ESI provision*

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.53%	0.56%

2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority. (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority. (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	100 (Eligible Employees)	100	Y	as per statute as applicable	100	Y
Others – please specify	0	0	NA	0	0	NA

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, Ashok Leyland's premises/offices are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. Ashok Leyland is committed to fostering an accessible and inclusive environment for individuals with disabilities across all its premises, including offices, plants, and units. The organisation has proactively implemented comprehensive infrastructure enhancements to address mobility challenges. Facilities are designed or adapted to meet the diverse needs of differently abled, with accommodation provided as required on a case-by-case basis. The Company welcomes feedback from employees, workers, and visitors to further refine its accessibility measures. Additionally, the Company is undertaking a meticulous feasibility analysis to ascertain the specific needs of differently abled individuals within each unit.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, Ashok Leyland upholds a policy of equal opportunity in alignment with the Rights of Persons with Disabilities Act, 2016. Ashok Leyland as part of the policy on Code of Conduct for executives has integrated the equal opportunity employment irrespective of race, creed, caste, religion, nationality, gender, colour, ancestry, ethnic origin, marital status, sexual orientation, disability unrelated to job requirements.

Link to the policy: Code of Conduct

5. **Return to work and Retention rates of permanent employees and workers that took parental leave**

	Permanent Employees		Permanent Workers	
Gender	**Return to work rate**	**Retention Rate**	**Return to work rate**	**Retention Rate**
Male	100%	96.15%	Not Applicable	Not Applicable
Female	100%	100%	Not Applicable	Not Applicable
Total	**100%**	**96.67%**	**Not Applicable**	**Not Applicable**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Not Applicable

Ashok Leyland has established mechanisms to receive and redress grievances of its employees and workers. Ashok Leyland is committed to fostering a work environment where grievances are promptly and effectively addressed. To this end, the Company has instituted a comprehensive Prevention of Sexual Harassment (PoSH) policy that aligns with the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013." This Policy is instituted to ensure a workplace that is both secure and free from harassment and discrimination. The Company has formulated the policy by:

- Defining protocols that must be adhered to, with the utmost respect for the dignity of all colleagues.
- Establishing a structured mechanism for the resolution of complaints related to workplace harassment targeting women.
- Stipulating that any disciplinary actions should correlate with the severity of the infraction.
- Emphasising a preventive approach that adheres to a zero-tolerance principle for such misconduct.

Link to the policy: POSH Policy

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2023-24			FY 2022-23*		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	**5,003**	**Not Applicable**	**Not Applicable**	**4,782**	**Not Applicable**	**Not Applicable**
- Male	4,697	Not Applicable	Not Applicable	4,511	Not Applicable	Not Applicable
- Female	306	Not Applicable	Not Applicable	271	Not Applicable	Not Applicable
Total Permanent Workers	**4,604**	**4,604**	**100**	**4,821**	**4,821**	**100**
- Male	4,575	4,575	100	4,792	4,792	100
- Female	29	29	100	29	29	100

**Total permanent workers numbers have been updated from last year since ward worker trainees have been excluded from the headcount.*

8. **Details of training given to employees and workers:**

Category	FY 2023-24					FY 2022-23#				
	Total (A)	On Health and Safety measures		On Skill upgradation		Total (D)	On Health and Safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	4,697	1,394	29.68	2,903	61.81	4,511	1,294	28.69	4,011	88.92
Female	306	267	87.25	273	89.22	271	223	82.29	255	94.10
Total	**5,003**	**1,661**	**33.20**	**3,176**	**63.48**	**4,782**	**1,517**	**31.72**	**4,266**	**89.21**
Workers*										
Male	25,848	25,848	100	25,848	100	22,371	22,371	100	22,371	100
Female	923	923	100	923	100	561	561	100	561	100
Total	**26,771**	**26,771**	**100**	**26,771**	**100**	**22,932**	**22,932**	**100**	**22,932**	**100**

**The details of the workers data have been updated to include permanent and other than permanent workers*
#The numbers have been updated since ward worker trainees have been excluded from the permanent worker headcount

9. **Details of performance and career development reviews of employees and worker**

Category	FY 2023-24			FY 2022-23#		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	4,697	4,697	100	4,511	4,511	100
Female	306	306	100	271	271	100
Total	**5,003**	**5,003**	**100**	**4,782**	**4,782**	**100**
Workers*						
Male	4,575	Not Applicable	Not Applicable	4,792	Not Applicable	Not Applicable
Female	29	Not Applicable	Not Applicable	29	Not Applicable	Not Applicable
Total	**4,604**	**Not Applicable**	**Not Applicable**	**4,821**	**Not Applicable**	**Not Applicable**

**The numbers disclosed includes only permanent workers. The performance and career development reviews are not applicable for other than permanent workers.*

#The numbers have been updated since ward worker have been excluded from the permanent worker headcount.

10. **Health and safety management system**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

All our sites have implemented Ashok Leyland in-house developed Health and Safety management system, which is developed based on global best practices/processes. All our manufacturing plants are certified to "ISO 45001:2018 - Occupational Health and Safety Management System" by M/s IRCLASS

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Across Ashok Leyland's manufacturing facilities, it has implemented Hazard Identification and Risk Assessment (HIRA) for routine activities and Job Safety Analysis (JSA) for non-routine activities which is mapped to the in-house developed Health and Safety management system and ISO 45001:2018 as applicable. In conformance to HIRA and in compliance with the relevant sections of HIRA, a periodic internal audit is conducted across all manufacturing facilities. However, for manufacturing facilities which are ISO 45001:2018 certified, audits are carried out by external auditors. During FY 2023-24, no major non-conformance was reported across all our manufacturing facilities which are ISO 45001:2018 certified.

The Company has instituted a well-defined Environment, Health, and Safety (EHS) policy. This policy is governed by the EHS council who is also responsible for monitoring performance on a regular basis. The EHS management system gets audited from time to time, and the results are reviewed on a monthly basis by the leadership.

As a part of Monthly risk prevention theme, all the manufacturing facilities conducts a checklist-based audit and actions taken on the identified hazards and risks. Risk mitigation projects taken up towards Roof top Safety, Electrical Safety, Paint process safety, Material handling safety and work height safety and necessary common SOPs developed and adopted for compliance.

Link to the Policy: EHS Policy

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

We have a formal process across all our sites for member of the workforce, including those on contract, to report on work related hazards, which is periodically reviewed by safety committee at site level. This has been captured as part of the in-house Occupational Health and Safety management system and ISO 45001:2018. All members of the workforce are given awareness on reporting work related hazards at the time of joining, which is a mandatory requirement. Besides, the members of the workforce are given periodic awareness, effectiveness of the awareness imparted, reviewed during periodic internal audits. The organisation promotes a culture of empowerment, enabling staff members to report workplace hazards confidently, ensuring that all safety incidents are duly recorded. This process is reviewed periodically by the safety committee at the site level. The risks and hazards identified form a part of the in-house Occupational Health and Safety Management System. These incidents encompass, but are not limited to, injury-related occurrences, safety breaches, close calls, mechanical perils, and vehicular mishaps. Employees are integral to the dialogues concerning the establishment of rectification and preventive strategies, as well as during the enactment of these measures. They are provided with a structured platform to present their inputs and proposals regarding safety matters. The Company acknowledges and rewards employees for their contributions to safety suggestions and the execution of safety initiatives, fostering a profoundly positive safety culture within the organisation. Awareness programmes are conducted for all members of the workforce on the process of reporting work related hazards at the time of joining. This is a mandatory requirement for all the members of the workforce. Additionally, periodic awareness sessions are carried out for effectiveness.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all the employees and workers have access to non-occupational medical and healthcare services and medical insurance facilities.

11. Details of safety related incidents, in the following format

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.12	0.12#
	Workers	0.11	0.30#
Total recordable work-related injuries	Employees	1	1@
	Workers	8	23@
No. of fatalities	Employees	0	0
	Workers	1	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	0
	Workers	0	1^
Number of Permanent Disabilities	Employees	1	0
	Workers	0	1

**Including in the contract workforce.*

#In FY 2022-23, the LTIFR was calculated using the GRI based formula (i.e., considering per two lakh-person hours worked) which came to 0.06 for employees and 0.05 for workers. This year, the numbers have been recalculated based on the formula provided by BRSR for both the years (i.e., per one million-person hours worked).

@Total recordable work-related injuries reported in FY 2022-23 have been reconciled and corrected based on work force categorization as of March 31, 2024.

^In FY 2022-23 report, the number disclosed included fatalities which has been corrected during this year.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace

Ashok Leyland has established a comprehensive EHS policy, accompanied by a management system with a robust monitoring strategy. It has also implemented relevant Health and Safety practices and processes across manufacturing facilities which are mapped to the nature of the work undertaken. Monthly evaluations of EHS performance are conducted and deliberated in the EHS committee meetings at the country level, presided over members of Ashok Leyland's senior leadership. The detailed process is mentioned in the Company's in-house Health and Safety Management System. The long-term plan is crafted to ensure the effective enactment of the EHS policy, constructed on the Plan-Do-Check-Act cycle to facilitate continuous improvement. The approach encompasses assessments of an array of risks, including workplace, fire, process safety, ergonomics, machinery, occupational health, and chemical threats.

Across its manufacturing facilities, Ashok Leyland has established an in-house First Aid center with doctors and paramedics are available 24x7. The Company has also tied up with hospitals near the manufacturing facilities to address any medical emergency. At the corporate office and technical center, a first aid center has been set up.

The organisation designates a specific risk prevention theme each month to concentrate on effective safety communication. Daily safety briefings in three languages, based on the monthly theme, are disseminated across all manufacturing sites to bolster awareness. Additionally, tailored training is provided to relevant stakeholders aligning with the monthly themes.

The initiative named 'Manthan' encompasses a Safety Cross-Functional Team (CFT) that is dedicated to a proactive approach to cultivating a safety culture aimed at zero harm. Ashok Leyland has piloted the AL-Foundry in Sriperumbudur and AL-CPPS Plant to serve as Safety Model Plants for the implementation of benchmark safety practices. The Company also actively engages all stakeholders during the Safety Month, featuring numerous competitions and enlightenment sessions conducted by industry experts.

13. Number of complaints on the following made by employees and workers

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	25	0	-	18	0	-
Health & Safety	5	0	-	1	0	-

14. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties
Health and safety practices	100% of plants
Working conditions	100% of plants

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions

During FY 2023-24, one fatality occurred at Ashok Leyland. As a corrective action, the Company has initiated roof top safety controls across its manufacturing facilities. Also, a number of reportable work-related incidents arose, and to avoid recurrence of these injuries, the Company has undertaken corrective actions. These actions include creating awareness to members of the workforce and periodically monitoring adherence to safety protocols. Ashok Leyland has implemented a comprehensive incident management communication protocol, which is disseminated daily across all manufacturing facilities. This initiative is designed to ensure that relevant locations are informed of incidents, including near-miss events, enabling them to implement necessary preventive strategies to avert similar occurrences.

Following any safety-related incidents, an exhaustive inquiry is launched, encompassing a detailed analysis based on the 6M framework (Man, Machine, Method, Material, Measurement, and Mother Nature), as well as conducting a Why-Why analysis. This systematic approach is critical for uncovering the underlying causes of the incidents and fostering the development of pertinent corrective measures which are then applied comprehensively across relevant sectors.

In alignment with their commitment to safety, Ashok Leyland undertakes Hazard Identification and Risk Assessment (HIRA) for a spectrum of operations, formulating control strategies to diminish risks adhering to the established hierarchy of controls. Within this framework, hazard elimination is recognised as the most effective method of control, succeeded by the substitution of hazards, applying engineering and administrative controls, and the employment of Personal Protective Equipment (PPE).

Subsequent to the introduction of corrective actions, a detailed action report is generated and provided to the pertinent stakeholders. Moreover, to tackle the issue of unsafe practices, Ashok Leyland is poised to integrate Behaviour-Based Safety (BBS) training, furthering their commitment to fostering a culture of safety through the implementation of these programmes. In-case of non-reportable incidents, a pro-active practice is followed which involves the member of the workforce to implement corrective actions.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A)- Employees- YES (B)- Workers- YES: In the unfortunate event of an employee's or worker's demise, Ashok Leyland provides comprehensive compensatory benefits to the bereaved family members.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

Business agreements, as applicable, entered with the value chain partners covers the clause relating to deduction, deposit, and payment of statutory dues.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23*	FY 2023-24	FY 2022-23*
Employees	1	0	1	0
Workers	0	1	0	1

**In FY 2022-23 report, the number disclosed included fatalities which has been corrected during this year.*

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, for retired executives, the Company facilitates relocation assistance (i.e., for moving back to their hometown). Also, Ashok Leyland enables retired executives and their spouse with Health Insurance benefits until their death. For intended retirees, the Company provides holistic training for smooth facilitation into the retirement life. These trainings include facing the retirement challenges, yoga and well-being, impact on family, PF and insurance, financial management and retirement benefits.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	38.5%
Working Conditions	38.5%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No significant risk raised from assessment.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity

Ashok Leyland has recognised key stakeholders, both internal and external, through a methodical process of peer evaluation and examination of stakeholder segments that may exert an impact or hold influence over the Company's business activities, as well as those upon whom the Company's operations have an effect. Ashok Leyland pledges to maintain proactive engagement with these stakeholders to discern their core anticipations and devise strategic approaches to accommodate these considerations.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	• Monthly and quarterly meet • Personal review and visits • Surveys • Training • Annual day • Events	• Annual • Quarterly • Monthly • Need-based	• Better prospects • Safe work environment • Skill management • Knowledge management • Fair remuneration • Employee volunteering for CSR activities

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers	Yes	• Suppliers meet • Tech days • Mutual visits • Need-based meetings with leadership team • Company events	• Annual • Monthly • Need-based	• Long-term business commitments • Economic scenario with respect to commercial vehicle industry • Scheduling • Supplier development • Ease of doing business for MSME suppliers through portal
Local Communities	Yes	• Community welfare programmes • Project assessment reviews	• Periodic • Need-based	• Community safety and development • Engagement and communication
Customers (Institutional and Retail)	No	• Surveys • Company events • Initiatives like rewards for purchases	• Periodic • Need-based	• Delivery • Technical communication • Aftersales service • Quality of service
Government and Regulatory Authorities	No	• One-to-one meetings • Events and conferences	• Periodic • Need-based	• Compliance • Tax payment
Channel Partners	No	• Monthly and Quarterly meet • Personal reviews and visits • Surveys • Training • Events – dealer conference	• Annual • Quarterly • Monthly • Need-based	• Business targets, commitment, and development plan • Training and development • Customer engagement and satisfaction

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Stakeholder Relationship Committee of Ashok Leyland is dedicated to upholding high levels of stakeholder relationship and fulfilling its obligations to all investors. The organisation has established appropriate mechanisms to guarantee adherence to all pertinent regulatory requirements. The Compliance Reports highlight adherence to the Code of Conduct (CoC) are systematically evaluated by the organization's senior management at regular intervals. Additionally, ESG Committee offers insights on issues pertaining to Environmental, Health and Safety (EHS), Corporate Social Responsibility (CSR), Sustainability, as well as other matters influenced by public policy. ESG Committee also scrutinizes activities and propositions connected to the ESG aspects.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, stakeholder consultation is used to support the identification and management of environmental and social topics. Ashok Leyland undertook a Materiality Assessment by engaging in consultations with its key stakeholder groups. Through direct interactions, the Company solicited feedback from these groups, which comprise of internal and external stakeholders, with the aim of identifying and prioritising those sustainability matters that are of utmost importance to its business activities.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Our CSR initiatives are focused on the areas of conserving the environment, providing quality education, enhancing skills and access to healthcare facilities. We have a structured CSR Policy, which directs us on how to carry out our activities in an efficient manner. We also have a comprehensive program known as "Road to School" that is in progress since 2015, through which we conduct various activities to address the societal issues faced by underprivileged groups. Similarly, through "Jal Jeevan" Water initiatives sustainable and effective irrigation practices were instilled among the small-scale marginalised farmers for better yield. Also, construction of Roof Rainwater harvesting systems in the rural villages have significantly alleviated the burden of marginalised rural women by reducing the drudgery of fetching safe drinking water way outside their community. Through Driver Health care initiative, comprehensive health care services are provided including regular check-ups, general health screenings and awareness to improve overall well-being. By prioritising the health of truck drivers, this initiative not only enhances their quality of life but also contributes to safer roads and a more resilient transportation industry. Thus, every effort taken by Ashok Leyland CSR intended to address the vulnerable and the marginalised section and for their growth and empowerment.

   The Link to CSR Policy.

Principle 5: Businesses should respect and promote human rights

Essential Indicator

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers (B)	% (B/A)	Total (C)	No. of employees/ workers (D)	% (D/C)
Employees						
Permanent	**5,003**	**3,554**	**71.04**	**4,782**	**4,085**	**85.42**
Other than Permanent	0	0	0	0	0	0
Total Employees	**5,003**	**3,554**	**71.04**	**4,782**	**4,085**	**85.42**
Workers						
Permanent	4,604	4,604	100	4,821	4,821	100
Other than Permanent	22,167	22,167	100	18,111	18,111	100
Total Workers	**26,771**	**26,771**	**100**	**22,932**	**22,932**	**100**

2. **Details of minimum wages paid to employees and workers, in the following format**

Category	FY 2023-24					FY 2022-23*				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**5,003**	**0**	**0**	**5,003**	**100**	**4,782**	**0**	**0**	**4,782**	**100**
Male	4,697	0	0	4,697	100	4,511	0	0	4,511	100
Female	306	0	0	306	100	271	0	0	271	100
Other than Permanent	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	**4,604**	**0**	**0**	**4,604**	**100**	**4,821**	**0**	**0**	**4,821**	**100**
Male	4,575	0	0	4,575	100	4,792	0	0	4,792	100
Female	29	0	0	29	100	29	0	0	29	100
Other than Permanent	**22,167**	**13,325**	**60.11**	**8,841**	**39.88**	**18,111**	**10,760**	**59.41**	**7,351**	**40.59**
Male	21,273	12,977	61	8,296	39	17,579	10,547	60	7,032	40
Female	894	348	38.93	545	60.96	532	213	40.04	319	59.96

**The numbers have been updated since ward worker trainees have been excluded from the permanent worker headcount*

3. **Details of remunerations/salary/wages**

   a. Median remuneration/wages

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	10	INR 10,957,045	1	INR 9,084,700
Key Managerial Personnel*	3	INR 102,095,484	0	INR 0
Employees other than BoD and KMP*	4,180	INR 1,904,072	252	INR 877,131
Workers*	4,573	INR 1,214,158	29	INR 1,086,661

**The median has been calculated taking into consideration the employees / workers that have served for the full year*

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	2.31	2.14

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Ashok Leyland has instituted a robust Policy on Prevention of Sexual Harassment (PoSH) along with a corresponding governance structure to manage any grievances reported by the employees of the Company. The entirety of the Company's workforce, including all employees and workers, have been thoroughly informed and educated regarding the significance of this mechanism and the procedures by which it operates.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Ashok Leyland has implemented a comprehensive procedure within the organisation that includes conducting awareness campaigns on sexual harassment with the aim to prevent and mitigate its incidence in the workplace. Moreover, the Company has established an 'Internal Complaints Committee' (ICC), which bears the mandate to address, investigate, and resolve all matters pertaining to complaints of sexual harassment, whether received directly or through indirect channels. Leymobile platform provides user friendly access to register complaints.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	1	The complaint was received in the last week of March 2024 hence the enquiry is ongoing	2	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	2
Complaints on POSH as a % of female employees / workers*	0.16	0.24
Complaints on POSH upheld	2	2

**Denominator includes the headcount of both employees and workers*

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Ashok Leyland has established a comprehensive and effective grievance redressal mechanism to ensure the prompt and efficacious resolution of any issues that arise. The Company has instituted a robust Prevention of Sexual Harassment (PoSH) policy and associated governance framework to address grievances registered by all employees, in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. This Policy aims to safeguard a work environment that is devoid of harassment and discrimination. The implementation of the Policy includes the following provisions:

- Establishment of protocols that uphold the respect and dignity of all colleagues.
- Creation of a system for addressing complaints of workplace harassment directed against women.
- Stipulation of appropriate sanctions corresponding to the severity of any infraction, alongside a preventive framework that enforces a zero-tolerance policy.

The Sexual Harassment Prevention Policy is displayed on the Notice Board, and posters are prominently placed throughout the office premises on all floors.

The Company has also facilitated training for the members of the newly constituted Internal Complaints Committee (ICC) at the corporate level. Mandatory training on the Prevention of Sexual Harassment at the Workplace (POSH) has been carried out online for all employees. Furthermore, awareness programmes are integrated into induction sessions for new hires, and informational standees are placed at various Ashok Leyland locations.

Lastly, within the Company's Service Rules, there is an explicit clause pertaining to sexual harassment, reinforcing the company's commitment to maintaining a respectful workplace.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Ashok Leyland's business agreements and contracts include human rights requirements where relevant.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Ashok Leyland ensures an annual review process and mandates the submission of declarations from each employee and worker. Furthermore, the Company provides comprehensive education/awareness programmes pertaining to international disciplinary protocols to all members of the workforce. Ashok Leyland ensures compliance to the process laid down as per the statutory controls and governance prescribed under the establishment.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints

Not Applicable. Since the Company did not receive any grievances/complaints regarding Human Rights principles and guidelines.

2. Details of the scope and coverage of any Human rights due diligence conducted

Ashok Leyland has undertaken a thorough evaluation of human rights compliance as an integral component of the long-term agreement terms dedicated to welfare.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the facilities at Ashok Leyland are designed to accommodate visitors with disabilities.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child Labour	38.5%
Forced/Involuntary Labour	38.5%
Sexual Harassment	38.5%
Discrimination at workplace	38.5%
Wages	38.5%
Others – please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No significant risk raised from assessment.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
For Renewable Sources			
Total Electricity Consumption (A)	'000 GJ	677.04	657.03
Total Fuel Consumption (B)	'000 GJ	0	0
Energy Consumption through other sources (C)	'000 GJ	0	0
Total energy consumed from renewable sources (A+B+C)	**'000 GJ**	**677.04**	**657.03**
For Non-Renewable Sources			
Total Electricity Consumption (D)	'000 GJ	426.94	471.91
Total Fuel Consumption (E)	'000 GJ	452.11	492.59
Energy Consumption through other sources (F)	'000 GJ	0	0
Total energy consumed from non-renewable sources (D+E+F)	**'000 GJ**	**879.05**	**964.50**
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	GJ/INR Crore	40.56	44.86
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)◊ (Total energy consumed/Revenue from operations adjusted for PPP)	**GJ/USD**	**0.0000928**	**0.0001027**
Energy intensity in terms of physical output (Total energy consumed (Automotive)/No. of vehicles)	GJ/Vehicle	4.70	4.92
Energy intensity (optional) – the relevant metric may be selected by the entity			

**Above is the consolidated figure for the Automotive and Foundry operations. For purposes of like-to-like comparison with Industry, please find below the detailing of Energy Intensity for Automotive operations.*

- **Energy Intensity for Automotive operations = 24.54 GJ/INR Crore**
- **Energy Intensity – Foundry operations** (Energy consumed in Foundry/Total revenue generated by Foundry) = **581.05 GJ/INR Crore**

◊The conversion factor considered for adjusting revenue from operations for PPP is based on the World Bank Index (OECD) of 22.882 INR/USD for India as published in the public domain. Link to the website: PPP - OECD

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

The Company's facilities have not been designated as "Designated Consumers" under the Performance, Achieve, and Trade (PAT) scheme implemented by the Government of India.

3. **Provide details of the following disclosures related to water, in the following format**

Parameter	Unit	FY 2023-24	FY 2022-23
Water Withdrawal by source (in kilolitres)			
(i) Surface Water	kL	8,508.00	8,601
(ii) Ground Water	kL	621,715.00	640,385
(iii) Third party Water	kL	467,222.70	505,407.16
(iv) Sea Water/ Desalinated Water	kL	0	0
(v) Others	kL	6,278.09	3,403
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	kL	**1,103,723.79**	**1,157,796.16**
Total volume of water consumption (in kilolitres)^	kL	**1,124,412.79**	**1,192,320.66**
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	**kL/INR Crore**	**29.24**	**32.99**

Parameter	Unit	FY 2023-24	FY 2022-23
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption/Revenue from operations adjusted for PPP)	**kL/USD**	**0.000067**	**0.000075**
Water intensity in terms of physical output (Total water consumed/No. of vehicles)	**kL/Vehicles**	**4.80**	**5.18**
Water intensity (optional) – the relevant metric may be selected by the entity			

**Above is the consolidated figure for the Automotive and Foundry operations. For purposes of like-to-like comparison with Industry, please find below the detailing of Water Intensity for Automotive operations.*

- **Water Intensity for Automotive operations = 25.10 kL/INR Crore**
- **Water Intensity – Foundry** (Water consumed in Foundry/Total revenue generated by Foundry) = **168.97 kL/INR Crore**

^The total water consumption is cumulation of total water withdrawal and rainwater consumption.

◊The conversion factor considered for adjusting revenue from operations for PPP is based on the World Bank Index (OECD) of 22.882 INR/USD for India as published in the public domain. Link to the website: PPP - OECD

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV.

4. Provide the following details related to water discharged:

Parameter	Unit	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)			
(i) Surface water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(ii) Ground Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(iii) Third party Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(iv) Sea Water/ Desalinated Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(v) Others	kL	2,410	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment (Primary Treatment)	kL	2,410	0
Total water discharged (in kilolitres)	**kL**	**2,410**	**0**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, all manufacturing plants in Ashok Leyland have implemented Zero Liquid Discharge (ZLD) mechanism as mandated by the respective state governments where the plants are located, however, in Pantnagar during the reporting period, state pollution board have advised to discharge the wastewater into the Common Effluent Treatment Plant (CETP) set up by UTKPCB. Nonetheless, the quality of water released following initial treatment is twice as good as the standards established by the Pollution Control Board (PCB). To ensure zero liquid discharge, the effluent from the process is let into primary treatment. In the primary treatment, the TDS of the effluent is reduced, and the silica content is also brought down. The oil content is kept at control with proper recovery. The water is then fed to RO system or Electro Dialysis Reversal (EDR) system as per the facility available at site. The reject water is then fed to ZLD or again fed to the inlet of the system as per local governing rules. The sludge recovered from the system is then sent to cement plants via pre-processors as alternate raw material.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
NOx	Tons	76.33	80.21
SOx	Tons	22.56	19.56
Particulate Matter	Tons	133.80	94.25
Persistent Organic Pollutants (POP)	Tons	0.00	0.00
Volatile Organic Compounds (VOC)	Tons	5.09	5.81
Hazardous Air Pollutants (HAP)	Tons	0.00	0.00
Other – please specify	Tons	0.00	0.77

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	33,110.17#	33,567.84
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	90,354.20	97,947.41
Total Scope 1 and Scope 2 emission intensity per rupee of turnover* (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	**tCO_2e/INR Crore**	**3.22**	**3.64**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) ◊ (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	**tCO_2e/USD**	**0.0000074**	**0.0000083**
Total Scope 1 and Scope 2 emission intensity in terms of physical output	**tCO_2e/Vehicle**	**0.38**	**0.39**
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

**Above is the consolidated figure for the Automotive and Foundry operations. For purposes of like-to-like comparison with Industry, please find below the detailing of Emission Intensity for Automotive operations.*

- **Emission Intensity for Automotive operations = 2.00 tCO_2e/INR Crore**
- **Emission Intensity – Foundry** (Total Emission in Foundry/Total revenue generated by Foundry) = **44.13 tCO_2e/INR Crore**

#Total Scope 1 emission is a cumulative of the refrigerants consumed in the business operation of Ashok Leyland accounting to **2,539.19 tCO_2e**.

◊The conversion factor considered for adjusting revenue from operations for PPP is based on the World Bank Index (OECD) of 22.882 INR/USD for India as published in the public domain. Link to the website: PPP - OECD

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

Yes, as our commitment towards reducing Green House Gas emission, AL is committed to be RE100 by 2030. Also, during the reporting period the total renewable percentage share has increased from 57 percent in FY 2022-23 to 61 percent in FY 2023-24. However, to further increase the renewable percentage share a pilot usage of green power procurement from IEX was also introduced during the reporting period. Ashok Leyland has 75MW Solar Park, 10.14MW Solar roof top and 63 MW of windmills to support its energy requirement. By way using energy from these sources 135,825 MT CO2e was avoided during the reporting period.

AL has also committed to Science Based Target initiative (SBTi).

9. **Provide details related to waste management by the entity, in the following format**

Parameter	**Unit**	**FY 2023-24**	**FY 2022-23**
Total Waste generated (in metric tonnes)			
Plastics (A)	MT	1,247.87	976.78
E-Waste (B)	MT	10.41	10.49
Bio-Medical Waste (C)	MT	0.63	0.49
Construction and Demolition Waste (D)	MT	-	-
Battery Waste (E)	MT	34.12	59.98
Radioactive Waste (F)	MT	-	-
Other Hazardous waste. Please specify, if any. (G)	MT	3,073.56	3,117.61
Used/Spent oil	MT	452.70	464.71
Wastes and residues - Paint sludge	MT	821.13	815.40
Discarded containers/barrels/Liners contaminated with hazardous waste/chemicals	MT	448.29	507.44
Waste/Residues containing Oil-Soaked Cotton Waste	MT	385.51	462.30
Filter, Residues	MT	15.64	4.84
Chemical sludge from wastewater treatment (ETP Sludge)	MT	630.21	583.70
Waste/Residues containing Oil - Grinding sludge	MT	157.47	153.35
Phosphate sludge	MT	102.16	93.92
Spent Solvent (from Paint Shop)	MT	2.92	3.29
Wastes/residues (sealant/PVC residues from painting process)	MT	6.30	8.65
Oil and Grease Skimming Residue	MT	22.85	-
Filter and Filter Material	MT	28.10	20.01
Sludge and filters contaminated with oil	MT	0.29	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	MT	1,87,298.72	1,56,276.59
Cable & Electrical Scrap	MT	30.55	43.62
Aluminium scrap	MT	263.97	271.68
Steel dust/ Shot blast dust/ grinding dust	MT	278.78	351.99
Wood Waste	MT	2,175.95	2,038.15
Cardboard/ Wastepaper	MT	3,553.64	4,053.52
Waste sand	MT	1,06,529.48	1,10,817.90
Food waste	MT	116.66	104.41
Steel castings, MS scrap	MT	28,934.52	32,306.45
Rubber Scrap	MT	75.91	55.78
Garden waste (jungle wood, dry leaves etc.)	MT	619.28	746.22
Scrap Tyres and Tubes	MT	44,720.00	5,486.87
Total (A+B + C + D + E + F + G + H)	**MT**	**1,91,665.31**	**1,60,441.93**
Waste intensity per rupee of turnover (Total waste consumed/Revenue from operations)	**MT/INR Crore**	**5.00**	**4.44**
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total waste consumed/Revenue from operations adjusted for PPP)	**MT/USD**	**0.000011**	**0.000010**
Waste intensity in terms of physical output	**MT/Vehicle**	**0.98**	**0.83**
Waste intensity (optional) – the relevant metric may be selected by the entity			
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of Waste			
(i) Recycled	**MT**	**174,532.64**	**157,791.84**
Plastic waste	MT	1,248.85	976.78
E-waste	MT	10.41	10.49
Battery waste	MT	35.22	59.98
Other Hazardous waste. Please specify if any	MT	444.78	468.00
Used/Spent oil	MT	441.86	464.71

Parameter	Unit	FY 2023-24	FY 2022-23
Spent Solvent (from Paint Shop)	MT	2.92	3.29
Other Non-hazardous waste generated. Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	MT	172,793.39	156,276.59
Cable & Electrical Scrap	MT	30.55	43.62
Aluminium scrap	MT	266.20	271.68
Steel dust/Shot blast dust/grinding dust	MT	278.78	351.99
Wood Waste	MT	2,181.39	2,038.15
Cardboard/ Wastepaper	MT	3,552.10	4,053.52
Waste sand	MT	99,119.78	110,817.90
Food waste	MT	116.66	104.41
Steel castings, MS scrap	MT	28,708.26	32,306.45
Rubber Scrap	MT	80.41	55.78
Garden waste (jungle wood, dry leaves etc.)	MT	619.28	746.22
Scrap Tyres and Tubes	MT	37,840.00	5,486.87
(ii) Re-used	**MT**	**467.83**	**507.44**
Other Hazardous waste. Please specify if any - Discarded containers/barrels/Liners contaminated with hazardous waste/chemicals	MT	467.83	507.44
(iii) Other recovery operations – Coprocessing	**MT**	**2,002.66**	**2,142.17**
Other Hazardous waste. Please specify if any	MT	2,002.66	2,142.17
Wastes and residues - Paint sludge	MT	819.98	815.40
Waste/Residues containing Oil-Soaked Cotton Waste	MT	225.72	462.30
Filter, Residues	MT	15.64	4.84
Chemical sludge from wastewater treatment (ETP Sludge)	MT	667.82	583.70
Waste/Residues containing Oil - Grinding sludge	MT	113.80	153.35
Phosphate sludge	MT	102.16	93.92
Waste/residues (sealant/PVC residues from painting process)	MT	6.30	8.65
Oil and Grease Skimming Residue	MT	22.85	-
Filter and Filter Material	MT	28.10	20.01
Sludge and filters contaminated with oil	MT	0.29	-
Total	**MT**	**177,003.12**	**160,441.44**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of Waste			
(i) Incineration	MT	0.44	0.49
Bio-medical waste	MT	0.44	0.49
(ii) Landfilling	MT	0	0
(iii) Other disposal operations	MT	0	0
Total	**MT**	**0.44**	**0.49**

*Above is the consolidated figure for the Automotive and Foundry operations. For purposes of like-to-like comparison with Industry, please find below the detailing of Waste Intensity for Automotive operations.

- **Waste Intensity for Automotive operations = 2.25 MT/INR Crore**
- **Waste Intensity – Foundry** (Total Waste Generated in Foundry/Total revenue generated by Foundry) = **97.60 MT/INR Crore**

◊The conversion factor considered for adjusting revenue from operations for PPP is based on the World Bank Index (OECD) of 22.882 INR/USD for India as published in the public domain. Link to the website: PPP - OECD

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Hazardous waste generated from the process, the same is diverted to cement plants as either alternative raw material or as alternative fuel through authorised pre-processor. 99.9% of the waste has been diverted away from land fill. The hazardous waste generation has got reduced with respect to the previous year by 348 MT. The non-hazardous waste generated has been sent to authorized re-cyclers after reclamation and re-use within the plants.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N). If no, the reasons thereof and corrective action taken, if any.
1	Ennore	Automobile Manufacturing	Yes
2	Ennore – Foundry	Foundry	Yes

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain. (Yes / No)	Relevant Web link
NA – Not Applicable as there were no expansion or change in CTO. Hence, there were no EIA conducted during the financial year.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sl. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
NA – Not Applicable. During the financial year, there were no non-compliances incidents.				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i)	Name of the area	Ennore, Bhandara, Sriperumbudur, Alwar, Hosur, Pantnagar		
(ii)	Nature of operations	Automobile Manufacturing and Foundry Operations		
(iii)	Water withdrawal, consumption, and discharge in the following format:			
	Parameter	**Unit**	**FY 2023-24**	**FY 2022-23**
	Water Withdrawal by source (in kilolitres)			
(iv)	Surface Water	kL	8,508.00	8,601
(v)	Ground Water	kL	621,715.00	640,385
(vi)	Third party Water	kL	467,222.70	505,407.16
(vii)	Sea Water/ Desalinated Water	kL	0	0
(viii)	Others	kL	6,278.09	3,403
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		**kL**	**1,103,723.79**	**1,157,796.16**
Total volume of water consumption (in kilolitres)		**kL**	**1,124,412.79**	**1,192,320.66**
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)		**kL/INR Crore**	**29.24**	**32.99**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)		**kL/USD**	**0.000067**	**0.000075**
Water intensity in terms of physical output		**GJ/Vehicle**	**4.80**	**5.18**
Water intensity (optional) – the relevant metric may be selected by the entity				
Water discharge by destination and level of treatment (in kilolitres)				
(i)	Surface Water	kL	0	0
	- No treatment	kL	0	0
	- With treatment – please specify level of treatment	kL	0	0

(ii) Ground Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(iii) Third party Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(iv) Sea Water/ Desalinated Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(v) Others	kL	2,410	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment – (Primary Treatment)	kL	2,410	0
Total water discharged (in kilolitres)	**kL**	**2,410**	**0**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV

2. Please provide details of total Scope 3 emissions & its intensity, in the following format

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	142,306.72	133,897.15
Total Scope 3 emission intensity per rupee of turnover	**tCO2e/INR Crore**	**3.97**	**3.70**
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Two of our units, namely, Ennore and Ennore foundries are located on the banks of Bay of Bengal. The units were established more than 50 years ago. Considering the sensitivity, the units developed mini eco forests inside the premises and are maintaining them. Ennore unit apart from treating the wastewater of Ennore and Ennore foundries also collects wastewater from the surrounding communities, it treats them and uses to avoid ingress of sea water into the land, thus protecting the ground water salinity.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Energy Saving Initiative	During the financial year, AL has undertaken several notable initiatives which has led to avoiding 80,062.56 GJ of the fuel and electricity across operational locations. However, few notable initiatives are introduction of Dust Collector Interlock provision, Power Optimizer Installation to ensure optimum furnace power utilization, Main incomer supply system converted into 110KV dedicated feed system which benefitted in avoidance of Diesel Gensets and Compressor air leakage elimination.	80,062.56 GJ
2	Emission Reduction Initiative	During the financial year, AL has increased its renewable energy capacity across operations which led to an increased renewable energy percentage share of 57% to 61% when compared to the previous financial year.	11,189.01 tCO_2e

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link

- Ashok Leyland has a business continuity plan across all its manufacturing locations and corporate office which is locally available. Fire drills are conducted as part of disaster recovery and business continuity plans to help prepare for the worst.
- Moving forward, we propose to do a Business Impact Analysis and prepare an organisation wide BCP Policy & Procedure.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   No adverse impact observed with assessed suppliers.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   40%

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicator

1. a. **Number of affiliations with trade and industry chambers/ associations**

   Four, Ashok Leyland is an active member of CII, SIAM, FICCI and ASSOCHAM.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sl. No	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National and International
2	Confederation of Indian Industry (CII)	National and International
3	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National and International
4	Society of Indian Automobile Manufacturers (SIAM)	National and International
5	Automobile Components Manufacturer Association (ACMA)	National and International
6	Federation of Automobile Dealers Association (FADA)	National
7	Society of Indian Defence Manufacturers (SIDM)	National
8	PHD Chamber of Commerce and Industry (PHDCCI)	National and International
9	European Automobile Manufacturers' Association (ACEA) French	International
10	Society for Manufacturers of Electric Vehicles (SMEV)	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of authority	Brief of the case	Corrective action taken
NA – Not Applicable since there were no cases of anti-competitive conduct by Ashok Leyland in FY 2023-24		

Leadership Indicators

1. **Details of public policy positions advocated by the entity**

Sl. No	Public policy advocated	Method resorted by such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half Yearly/ Quarterly/Others – please specify)	Web-Link, if available
Ashok Leyland works closely with various trade and industry associations including industry representations to the government and regulators. The Company ensures that policy advocacy is carried out in a transparent and responsible manner taking into account its larger national interest.					

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicator

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year**

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant Web-Link
As per law, SIA need not to be carried out in the FY 2023-2024 for direct or indirect intervention					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format**

Sl. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In INR)
There have been no projects for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by Ashok Leyland.						

3. Describe the mechanisms to receive and redress grievances of the community

The initiatives of the Company are focused on the areas of education, health, and water in underserved communities based on their needs. Communities and NGOs can reach out to the Company through emails and corporate inbox secreterial@ashokleyland.com for any grievances.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/small producers	Total production vendor code count: 1,209; total business spends: INR 24,443 Crore Total MSME vendors with MSME certification (production vendors): 76 with a business spend of INR 600 Crore For small vendors considered < INR 5 Crore business spend with AL as below: • Vendor count: 423 with spend < 5 Crore (also includes 50 MSME vendors) and their business spend is INR 869 Crore • % input material (parts) sourced from 423 small/MSME = 3.6 • % Input material (parts) sourced from 76 MSME alone = 2.53	Total production vendor code count: 1,049; total business spends: INR 26,500 Crore Total MSME vendors with MSME certification (production vendors): 52 with a business spend of INR 71 Crore For small vendors considered < INR 5 Crore business spend with AL as below. • Vendor count: 550 with spend < 5 Crore (also includes 52 MSME vendors) and their business spend is INR 751 Crore • % input material (parts) sourced from 550 small/MSME = 2.8 • % Input material (parts) sourced from 52 MSME alone = 0.26
Directly from within India	98.6%	98.6%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost*

Location	FY 2023-24	FY 2022-23
Rural	17.61	18.56
Semi-urban	12.93	12.74
Urban	20.37	21.05
Metropolitan	49.09	47.65

(Place to be categorized as per RBI Classification System – Rural, Semi-urban, Urban, and Metropolitan)

**The job creation parameter considers the total wages paid to all the permanent employees and permanent workers employed (irrespective of duration of employment) at the plant sites, corporate offices, and sales offices during the respective financial year. These plant sites, corporate offices and sales offices are then categorized as per the RBI classification system. The number of new hires (employees and workers) for the two financial years are mentioned below:*

Location	FY 2023-24	FY 2022-23
Rural	5,987	4,802
Semi-urban	68	74
Urban	6,434	8,098
Metropolitan	893	845

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above:

Details of negative social impact identified	Corrective action taken
No negative impacts identified	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No	State	Aspirational District	Amount Spent (In INR)
1.	Jammu & Kashmir	Baramullah & Kupwara	18.6 Lakhs
2.	Uttarakhand	Udham Singh Nagar	39 Lakhs

3.

a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No, Ashok Leyland currently does not have preferential procurement policy.

b. From which marginalized /vulnerable groups do you procure?

NA – Not Available

c. What percentage of total procurement (by value) does it constitute?

NA – Not Available

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1.	Nil			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of Authority	Brief of the Case	Corrective actions taken
Not Applicable		

6. Details of beneficiaries of CSR Project

Sl. No	CSR Project	No. of persons benefitted from CSR Project	% of beneficiaries from vulnerable and marginalized groups
1.	**Road to School & Road to Livelihood:** The initiative aims to enhance the comprehensive development of government school students from grades I to VIII in remote, hilly, and forested areas of Tamil Nadu, Jammu & Kashmir, Assam, and Karnataka, primarily aiding those below the poverty line and from SC, ST, and backward communities. It emphasizes foundational literacy and numeracy, supplemented by academic and extracurricular activities, wellness, art, and sports, leading to significant improvements in the educational outcomes for children. This targets students from grades IX to XII, preparing them for post-school life with career guidance, mentoring, digital literacy, spoken English, and adolescent wellness programs, equipping them with the necessary skills and knowledge to make informed career choices.	125,399	85
2.	**Health:** A comprehensive health screening service is offered by a reputable health clinic in Namakkal, where a dedicated team of doctors and support staff cater to the medical needs of the driver community. Additionally, the clinic extends its reach to nearby remote villages through a mobile medical van, ensuring access to essential health services for those in less accessible areas.	7,017	100
3.	**Sustainable Water Management Project (SWMP) – SUJAL:** This initiative focuses on advancing sustainable water management in rural villages by educating residents, providing training, and implementing rainwater harvesting, groundwater recharge, efficient water usage, and improved sanitation practices. Executed in selected villages of Alwar district in Rajasthan, the project has successfully facilitated water conservation and recharge, leading to enhanced agricultural practices and improved livelihoods for the local community.	15,591	80
4.	**Spring Shed Management:** The spring shed rejuvenation project in Nainital, Uttarakhand, has focused on the conservation and recharge of local springs, providing villagers with access to clean drinking water and alleviating the burden on women who traditionally collect water.	5,928	100

**The Road to School & Road to Livelihood Projects has benefited 125,399 personnels covering 1,261 school during the reporting period. However, cumulative beneficiaries of the project are 191,858 covering 1,719 school which also includes AL and its other group companies. AL facilitates implementation of the overall program.*

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicator

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The organisation has a dedicated customer management system based on industry-best practices and processes, which is periodically reviewed. The outcome of number of cases reported addressed is periodically reviewed at the senior most level at the organization. The customer management system can be accessed 24x7 by use of the following modes: email, social media, toll-free number, website. From quality management perspective and traceability once a customer complaint is raised, it is tracked until closure and the option of customer to give feedback on how the complaint was resolved is in place. The management system ensures there is no loss of customer-related data. To address any potential breach, periodic audit/assessment of the management system is undertaken through an external party. During the reporting year besides the complaints being registered, no incidents of complaint breach were reported.

Reach out to Ashok Leyland through the following channels: Email - reachus@ashokleyland.com
For queries or grievances relating to shareholders: To Company Secretary: secretarial@ashokleyland.com
M&HCV queries: 1800-266-3340, Timing: 24*7 (Everyday)
LCV queries: 1800-1022-666, Timing: 6 am to 10 pm
Power Solutions inquiries: 1800-419-19216 Toll-free
Timing: 6 am to 10 pm (every day)
Apart from the above, queries are also captured from the official Twitter handle of Ashok Leyland @ALIndiaOfffical and tracked for resolution

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100 (All products complying with the mandated emission norms)
Safe and responsible usage	100 (CMVR compliance)
Recycling and/or safe disposal	Not Available

3. Number of consumer complaints in respect of the following:

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	1	1	Compliant related to DTI	0	0	-
Other	1,040	178	-	780	96	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

1. Ashok Leyland has an Information Security Framework, Organization wide Policy statement & about 65 Policies and Procedures have been defined covering the various processes of Information Security.
2. These Policies & procedures get reviewed periodically and is available in the intranet portal for the access of AL employees.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Corrective actions are underway for the VAPT conducted during FY24 and the same is being retested upon remediation.

7. Provide the following information relating to data breaches

a.	Number of instances of data breaches	**None**
b.	Percentage of data breaches involving personally identifiable information of customers	Not Applicable
c.	Impact, if any, of the data breaches	Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information related to all the products and services can be found on the Company website: www.ashokleyland.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

1. The Company provides an Operator Manual for each product we sell to our customers.
2. At the Company's dedicated Training Centres, Regional teams, and Channel partner personnels are trained in all its products and services. There is a robust training program designed especially for all sales and service personnels.
3. Apart from this, in the Company's Driver Training Institutes, high-quality drivers are developed by training them in good driving practices (optimum mileage), traffic discipline and road safety. Training is imparted as per regulations of MV Rules and Act:
   - Testing & evaluation done before issuing of the certificate
   - Process adherence to ISO standards
4. The Company also trains local mechanics across the country on its products and servicing in the Company's Training Centre

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

1. Ashok Leyland has a well-defined patch management process as well as change management process.
2. The Process involves Sign off by IT as well as Information Security team which includes time duration, the down time, the risks, and the mitigation action.
3. Any disruption of service is informed to the businesses who in turn inform the relevant stakeholders namely vendors & dealers, specifically with respect to SAP services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the details given in information label are as per the Legal Metrology (Packaged Commodities) Rules 2011. The Company voluntarily and actively informs all its dealers about product improvements through Service Circulars. It also informs the customers to operate vehicles in a more fuel-efficient manner through tips in the Operator Manual. The spare parts label has the details of customer care number, exclusive e-mail ID and contact address, where consumers can reach out to the executives to share their feedback or updates or grievances. Besides this, consumers can also log on to the website of the Company give their feedback or register complaints. The Company conducts periodic training sessions on product genuineness through their mechanic and retailer meets. The spare parts team also conducts raids on vendors selling spurious products and circulates such inputs among the consumers and urges them to remain vigilant and use only genuine parts.

The Company commissions reputable third-party agencies to conduct annual surveys for measuring the customer satisfaction index.

INDEPENDENT AUDITORS' REPORT

Standalone

To the Members of Ashok Leyland Limited

Report on the Audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Ashok Leyland Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and 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 then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 standalone financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment	
Carrying value of equity investment including deemed equity investment in Optare Plc and its subsidiary, Switch Mobility Automotive Limited ("Optare group") (Refer to Note 1E.16, Note 1E.10 and Note 1D to the standalone financial statements regarding the recognition, valuation and disclosure methods of equity instruments in subsidiaries, 'Impairment Losses' and 'Critical accounting judgements and key sources of estimation uncertainty' respectively). In the standalone financial statements of the Company, the gross carrying value of equity investment in Optare group including deemed equity is INR 2,260.49 crores as at March 31, 2024. Determination of carrying value of equity investment including deemed equity in Optare group is a key audit matter as the determination of recoverable value and/ or impairment assessment involves significant management judgement. The key inputs and judgements involved in the model for impairment assessment of investment include future cash flows, the discount rate and the long-term growth rate used.	As part of our audit, our procedures included the following: ● We obtained an understanding and evaluated the design, implementation and tested the operating effectiveness of relevant internal controls to identify whether there are any indicators of impairment and where such indicators exist, the method by which the recoverable amount is determined by the management. ● We evaluated the following: - Terminal growth rate by comparing it with the long-term outlook based on the relevant macroeconomic factors for the geography in which the entities are operating. - Board approved budgets considering growth and other cash flow projections provided by the Company's management and compared those with the actual results of prior years to assess the appropriateness of the forecast. - The competence, capabilities and objectivity of the management's expert involved in the valuation process.

Key audit matter	How our audit addressed the key audit matter
.	● We, along with the auditors' experts, evaluated the appropriateness of the measurement model and reasonableness of key assumptions like terminal growth rate and discount rate. ● We performed sensitivity tests on the model by analysing the impact of using other possible growth rates and discount rates within a reasonable and foreseeable range. ● We evaluated the adequacy of the disclosures made in the standalone financial statements. Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in relation to the carrying value of equity Investment in Optare group including deemed equity and the related disclosures thereof.

Other Information

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

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

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

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the standalone financial statements

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

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

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. 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.

11. 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.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. 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 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (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 standalone financial statements – Refer Note 3.9 to the standalone financial statements.

        ii. The Company was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract including derivative contracts.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

        iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 3.19 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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, as disclosed in Note 3.19 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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; and

(c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that the audit trail (edit log) facility for direct database changes for the accounting software has been enabled and operated for only part of the year for all relevant transactions and with an exception for modification of values in case of certain users with specific access, both at the database level and the application level. During the course of performing our procedures, except for the aforesaid instances of audit trail not maintained at database level and application level, where the question of our commenting on whether the audit trail has been tampered with does not arise, we did not notice any instance of audit trail feature being tampered with.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number:304026E/E-300009

A.J.Shaikh
Partner
Membership Number: 203637
UDIN: 24203637BKENLP8333

Place: Bengaluru
Date: May 24, 2024

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14(g) of the Independent Auditors' Report of even date to the members of Ashok Leyland Limited on the standalone financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Ashok Leyland Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. 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.

5. 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 financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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

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

Opinion

8. 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number:304026E/E-300009

A.J.Shaikh
Partner
Membership Number: 203637
UDIN: : 24203637BKENLP8333

Place : Bengaluru
Date : May 24, 2024

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Ashok Leyland Limited on the standalone financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The property, plant and equipment are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 1.1 on property, plant and equipment and note 1.1A on right-of-use asset, to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ Crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held (i.e date of capitalisation)	Reason for not being held in the name of the Company
Ennore, Tamil Nadu-Freehold land	81.00	Hinduja Foundries Limited	No	Refer Note 1 below	Refer note 1.1 of the standalone financial statements
Uppal, Telangana-Freehold land	123.00	Hinduja Foundries Limited	No	Refer Note 1 below	Refer note 1.1 of the standalone financial statements
Mallavalli, Andhra Pradesh- Freehold land	13.02	Agreement for sale registered in the name of the Company. Final Conveyance deed is to be executed.	No	March 2018	Refer note 1.1 of the standalone financial statements
Sriperumbudur, Tamil Nadu-Leasehold land	11.47	Hinduja Foundries Limited	No	Refer Note 1 below	Refer note 1.1A of the standalone financial statements
Pillaipakkam, Tamil Nadu-Leasehold land	48.96	Ashok Leyland Nissan Vehicles Limited	No	Refer Note 2 below	Refer note 1.1A of the standalone financial statements
Bhandara, Maharashtra-Leasehold land	0.01	Ashok Leyland Limited (under regularisation)	No	May 1982	Refer note 1.1A of the standalone financial statements

Note 1 – Hinduja Foundries Limited (amalgamating company) merged with the Company effective October 01, 2016 pursuant to the order received from National Company Law Tribunal on April 24, 2017.

Note 2 – Ashok Leyland Nissan Vehicles Limited (amalgamating company) merged with the Company effective April 01, 2018 pursuant to the order received from National Company Law Tribunal on December 17, 2018.

(d) The Company has chosen cost model for its property, plant and equipment (including right-of-use asset) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a registered valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including right-of-use asset) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements does not arise.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of INR 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account (Also refer note 3.6.1 to the standalone financial statements).

iii. (a) The Company has made investments in seven companies and nine mutual funds and granted unsecured loan to five companies and stood guarantee to one company. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates and to parties other than subsidiaries, joint ventures and associates are as per the table given below:

Amount in ₹ Crores

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year				
Subsidiaries	327.83	-	500.00	-
Joint Ventures	-	-	-	-
Associates	-	-	-	-
Others	-	-	154.00	-
Balance outstanding as at balance sheet date				
Subsidiaries	758.91	-	95.00	-
Joint Ventures	3.25	-	-	-
Associates	-	-	-	-
Others	-	-	100.00	-

(Also refer note 3.8 to the standalone financial statements)

(b) In respect of the aforesaid investments, guarantees and loans, the terms and conditions under which such loans were granted, investments were made, guarantees provided are not prejudicial to the Company's interest.

(c) In respect of the loan, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the loan, there is no amount which is overdue for more than ninety days.

(e) There were no loans/advances in nature of loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.

(f) The loans granted during the year to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. Further there are no loans/advances in nature of loans which were granted during the year to promoters.

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its certain products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 3.9 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) There are no statutory dues of provident fund, employees' state insurance which have not been deposited on account of any dispute. The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

:

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Name of the Statute	Nature of Dues	Gross Demand (in INR crores)	Paid under protest (in INR crores)	Period	Forum where the dispute is pending
State and Central Sales Tax Act	Sales tax and Value added Tax	368.37	48.73	Various periods from 1985 - 2018	Appellate Authority upto Commissioner Level
		224.60	90.86	Various periods from 1987 - 2017	Appellate Authority - Tribunal
		1.22	0.13	Various periods from 2006 - 2011	High Court
Central Excise Act, 1944	Excise duty and Cess thereon	4.37	0.06	Various periods from 2006 - 2017	Appellate Authority upto Commissioner Level
		5.38	0.48	Various periods from 1996 - 2018	Appellate Authority - Tribunal
		0.47	0.44	Various periods from 1995 - 2002	High Court
Customs Act, 1962	Customs Duty	0.02	-	Various periods from 2006 - 2007	Appellate Authority - Tribunal
Service Tax - Finance Act, 1994	Service Tax and Cess thereon	59.01	2.85	Various periods from 2005 - 2016	Appellate Authority - Tribunal
		1.86	0.02	Various periods from 2008 - 2017	Appellate Authority upto Commissioner Level
Goods and Services Tax	Goods and Services Tax	3.57	2.84	Various periods from 2017 - 2018	Appellate Authority - Tribunal
		331.63	21.97	Various periods from 2017 - 2022	Appellate Authority upto Commissioner Level
The Income Tax Act, 1961	Income tax	0.37	-	Assessment year 2009-10	Commissioner of Income-tax (Appeals)
		4.07	4.07	Assessment year 2010-11	Assessing Officer
		0.04	0.04	Assessment year 2013-14	Commissioner of Income-tax (Appeals)
		0.15	-	Assessment year 2017-18	Commissioner of Income-tax (Appeals)
		5.92	5.92	Assessment year 2018-19	Assessing Officer
		3.00	3.00	Assessment year 2019-20	Income-tax Appellate Tribunal

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans during the year ended March 31, 2024 and there are no unutilised balance of term loan obtained in earlier years as on April 1, 2023. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) On the basis of the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) On the basis of the procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. In respect of certain complaints, for which preliminary findings of the investigations have been provided to us by management, our consideration of the complaints having any bearing on our audit is limited to such preliminary findings.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios (Also refer note 3.17 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, 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 that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number : 304026E/E-300009

A.J.Shaikh
Partner
Membership Number : 203637
UDIN: 24203637BKENLP8333

Place : Bengaluru
Date : May 24, 2024

BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	4,502.22	4,747.85
Capital work-in-progress	1.1	95.53	48.95
Right-of-use asset	1.1A	235.30	236.98
Goodwill		449.90	449.90
Other intangible assets	1.2	764.38	869.42
Intangible assets under development	1.2	106.00	83.57
Financial assets			
(i) Investments	1.3	5,310.71	3,892.18
(ii) Trade receivables	1.4	0.25	0.63
(iii) Other financial assets	1.5	64.94	97.30
Income tax assets (net)	1.6A	50.34	133.91
Other non-current assets	1.7	369.09	327.32
		11,948.66	**10,888.01**
Current assets			
Inventories	1.8	3,190.69	2,774.48
Financial assets			
(i) Investments	1.9	249.06	2,771.42
(ii) Trade receivables	1.10	3,569.65	4,062.08
(iii) Cash and cash equivalents	1.11A	1,941.87	454.11
(iv) Bank balances other than (iii) above	1.11B	1,496.31	47.18
(v) Loans	1.12	95.00	-
(vi) Other financial assets	1.12A	241.80	581.44
Other current assets	1.13	812.69	940.99
		11,597.07	**11,631.70**
Asset classified as held for sale	1.5A	66.02	71.92
TOTAL ASSETS		**23,611.75**	**22,591.63**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1.14	293.63	293.61
Other equity	1.15	8,516.74	8,132.19
		8,810.37	**8,425.80**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1.16	1,131.64	1,766.23
(ii) Lease liabilities		29.40	31.02
(iii) Other financial liabilities	1.17	21.31	23.01
Contract liabilities	1.18	283.45	250.04
Provisions	1.19	724.07	519.22
Deferred tax liabilities (net)	1.20	556.31	503.51
		2,746.18	**3,093.03**
Current liabilities			
Financial liabilities			
(i) Borrowings	1.21	1,122.89	1,413.87
(ii) Lease liabilities		15.47	13.71
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	1.22	79.54	73.75
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,225.65	7,101.37
(iv) Other financial liabilities	1.23	2,463.77	939.48
Contract liabilities	1.24	476.02	362.83
Provisions	1.25	650.68	519.32
Other current liabilities	1.26	478.11	514.13
Current tax liabilities (net)	1.6B	526.24	123.47
		12,038.37	**11,061.93**
Liabilities directly associated with assets classified as held for sale	1.5B	16.83	10.87
TOTAL EQUITY AND LIABILITIES		**23,611.75**	**22,591.63**

The above Balance Sheet should be read in conjunction with the accompanying notes.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 24, 2024
Bengaluru

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 24, 2024
Chennai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
		₹ Crores	₹ Crores
Income			
Revenue from operations	2.1	38,367.03	36,144.14
Other income	2.2	246.57	116.14
Total Income		**38,613.60**	**36,260.28**
Expenses			
Cost of materials and services consumed		26,916.54	27,246.95
Purchases of stock-in-trade		1,506.41	1,160.69
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.3	(510.94)	(558.49)
		27,912.01	**27,849.15**
Employee benefits expense	2.4	2,233.38	2,113.86
Finance costs	2.5	249.44	289.09
Depreciation and amortisation expense	2.6	717.81	731.96
Other expenses	2.7	3,615.06	3,250.43
Total Expenses		**34,727.70**	**34,234.49**
Profit before exceptional items and tax		**3,885.90**	**2,025.79**
Exceptional items	2.8	(93.72)	84.61
Profit before tax		**3,792.18**	**2,110.40**
Tax expense:			
Current tax - Charge		1,285.44	780.00
Deferred tax - Credit		(111.13)	(49.71)
		1,174.31	730.29
Profit for the year		**2,617.87**	**1,380.11**
Other Comprehensive (Loss) / Income			
A (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		(14.83)	(15.93)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		3.73	5.57
B (i) Items that will be reclassified to Profit or Loss			
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(16.87)	11.87
(ii) Income tax relating to items that will be reclassified to Profit or Loss		6.91	(4.15)
Total Other Comprehensive Loss		**(21.06)**	**(2.64)**
Total Comprehensive Income for the year		**2,596.81**	**1,377.47**
Earnings per share (Face value ₹ 1 each)	3.3		
- Basic (in ₹)		8.92	4.70
- Diluted (in ₹)		8.90	4.70

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 24, 2024
Bengaluru

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 24, 2024
Chennai

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
		₹ Crores	₹ Crores
Cash flow from operating activities			
Profit for the year		**2,617.87**	**1,380.11**
Adjustments for :			
Tax expense charge/ (credit) - net		1,174.31	730.29
Depreciation and amortisation expense		699.69	714.70
Depreciation of Right-of-use asset		18.12	17.26
Share based payment cost		2.96	(0.03)
Impairment / (Reversal) of loss allowance, write off on trade receivable / other receivable (net)		4.27	9.82
Impairment Loss / (Reversal) in the value of equity instruments in subsidiaries (net)		4.00	16.42
Loss / (Gain) on fair valuation of investment in fellow subsidiary		124.99	(65.67)
Obligation relating to discontinued products of LCV division (net of reversal)		(53.68)	(14.90)
Write off of intangible assets under development		18.28	-
Foreign exchange (Gain) / loss - net		(2.46)	0.50
Profit on sale of Property, plant and equipment (PPE) and intangible assets - net		(10.46)	(8.97)
Profit (net) in relation to EV and related expenses		-	(25.44)
Profit on sale of investments - net		(60.61)	(30.05)
Net Loss / (Gain) arising on financial asset mandatorily measured at FVTPL		0.02	(10.02)
Finance costs		249.44	289.09
Interest income		(58.03)	(39.60)
Dividend income		(78.17)	(0.82)
Loss on preclosure of leases		-	0.07
Operating profit before working capital changes		**4,650.54**	**2,962.76**
Adjustments for changes in :			
Trade receivables		495.03	(967.97)
Inventories		(416.21)	(699.28)
Other non-current and current financial assets		22.93	16.62
Interim Dividend remitted to designated bank account		(1,453.48)	-
Other non-current and current assets		143.01	(4.87)
Utilisation from escrow account		4.27	5.32
Related party advances / receivables (net)		(4.64)	5.99
Trade payables		(867.97)	295.30
Non-current and current financial liabilities		122.83	338.14
Asset and liabilities classified as held for sale		11.86	(9.20)
Contract liabilities		146.60	6.09
Other current liabilities		(36.02)	226.54
Other non-current and current provisions		308.90	360.78
Cash from operations		**3,127.65**	**2,536.22**
Income tax paid (net of refunds, if any)		(624.53)	(400.21)
Net cash from operating activities	**[A]**	**2,503.12**	**2,136.01**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
		₹ Crores	₹ Crores
Cash flow from investing activities			
Purchase of PPE and intangible assets		(495.50)	(502.05)
Proceeds on sale of PPE and intangible assets including sale of immovable properties		14.04	13.70
Proceeds on surrender of Leasehold land		-	62.70
Purchase of non-current investments		(1,567.02)	(19.81)
Sale proceeds of non-current investments		-	5.80
Proceeds from sale / (Purchase) of current investments (net)		2,602.45	(1,439.64)
Inter corporate deposit / Loan - given to subsidiary		(500.00)	(200.00)
Inter corporate deposit / Loan - repaid by subsidiary		605.00	-
Inter corporate deposits - given		(154.00)	-
Inter corporate deposits - repaid		54.00	-
Investment in bank deposits		-	(215.00)
Proceeds from bank deposits		200.00	515.00
Interest received		64.99	43.95
Dividend received		78.17	0.82
Net cash from / (used in) investing activities	**[B]**	**902.13**	**(1,734.53)**
Cash flow from financing activities			
Proceeds from issue of equity shares (including securities premium)		1.67	5.01
Repayments of non-current borrowings		(1,104.98)	(375.94)
Proceeds from current borrowings		5,993.94	2,926.28
Repayments of current borrowings		(5,778.58)	(2,924.52)
Payments of Lease liability		(20.02)	(17.66)
Interest paid		(246.11)	(259.79)
Dividend paid		(763.39)	(293.55)
Net cash used in financing activities	**[C]**	**(1,917.47)**	**(940.17)**
Net cash Inflow / (Outflow)	**[A+B+C]**	**1,487.78**	**(538.69)**
Opening cash and cash equivalents		**454.11**	**994.25**
Exchange fluctuation on foreign currency bank balances		(0.02)	(1.45)
Closing cash and cash equivalents [Refer Note 1.11A to the standalone financial statements]		**1,941.87**	**454.11**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Statement of Cash Flows referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 24, 2024
Bengaluru

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 24, 2024
Chennai

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

1. For the year ended March 31, 2024

A. Equity Share Capital

₹ Crores

Balance at the beginning of April 1, 2023	Changes in equity share capital during the year	Balance at the end of March 31, 2024
293.61	0.02	293.63

B. Other Equity

₹ Crores

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	
Balance as at the beginning of April 1, 2023	**263.87**	**1,913.70**	**3.33**	**37.87**	**1,020.55**	**4,875.14**	**17.73**	**8,132.19**
Profit for the year	-	-	-	-	-	2,617.87	-	2,617.87
Other comprehensive (loss)	-	-	-	-	-	(11.10)	(9.96)	(21.06)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**2,606.77**	**(9.96)**	**2,596.81**
Transactions with owners:								
Dividend paid / payable	-	-	-	-	-	(2,216.87)	-	(2,216.87)
Transfer to general reserve pursuant to exercise of ESOP	-	-	-	(1.15)	1.15	-	-	-
Pursuant to exercise of ESOP	-	1.65	-	-	-	-	-	1.65
Recognition of share based payments	-	-	-	2.96	-	-	-	2.96
Balance as at the end of March 31, 2024	**263.87**	**1,915.35**	**3.33**	**39.68**	**1,021.70**	**5,265.04**	**7.77**	**8,516.74**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

2. For the year ended March 31, 2023

A. Equity Share Capital

₹ Crores

Balance at the beginning of April 1, 2022	Changes in equity share capital during the year	Balance at the end of March 31, 2023
293.55	0.06	293.61

B. Other Equity

₹ Crores

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	
Balance as at the beginning of April 1, 2022	**263.87**	**1,908.75**	**3.33**	**37.90**	**1,020.55**	**3,798.94**	**10.01**	**7,043.35**
Profit for the year	-	-	-	-	-	1,380.11	-	1,380.11
Other comprehensive (loss) / income	-	-	-	-	-	(10.36)	7.72	(2.64)
Total Comprehensive Income for the year	-	-	-	-	-	**1,369.75**	**7.72**	**1,377.47**
Transactions with owners:								
Dividends	-	-	-	-	-	(293.55)	-	(293.55)
Transfer to general reserve pursuant to lapse of ESOP	-	-	-	-	-	-	-	-
(Reversal) / Recognition of share based payments	-	4.95	-	(0.03)	-	-	-	4.92
Balance as at the end of March 31, 2023	**263.87**	**1,913.70**	**3.33**	**37.87**	**1,020.55**	**4,875.14**	**17.73**	**8,132.19**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 24, 2024
Bengaluru

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 24, 2024
Chennai

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1A. General information

Company Background:

Ashok Leyland Limited ("the Company") (CIN: L34101TN1948PLC000105) is a public limited company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). The Company's registered office is situated at 1, Sardar Patel Road, Guindy, Chennai, Tamil Nadu, India. The main activities of the Company are those relating to manufacture and sale of a wide range of commercial vehicles. The Company also manufactures engines for industrial and marine applications, forgings and castings.

1B. Basis of Preparation and Presentation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, as amended from time to time.

The standalone financial statements have been prepared on the historical cost basis except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

The standalone financial statements are presented in Indian Rupees (Rs.) which is the functional currency of the Company and all values are rounded to the nearest crores, except where otherwise indicated.

The standalone financial statements were approved for issue by the Board of Directors on May 24, 2024.

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

a) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

b) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023

c) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

MCA notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2024.

1C. Material Accounting Policies

1C.1 Property, plant and equipment

Cost:

Property, plant and equipment are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses. Cost of all civil works (including electrification and fittings) is capitalised with the exception of alterations and modifications of a capital nature to existing structures where the cost of such alteration or modification is Rs.100,000 and below.

Fixtures, plant and equipment (including patterns and dies) where the cost exceeds Rs.10,000 and the estimated useful life is two years or more, is capitalised and stated at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses.

Depreciation/ amortisation:

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

Classes of Property, Plant and Equipment	Useful life (years)	Useful life (years) As per Schedule II
Buildings	30 / 60	30 / 60
Non-factory service installations:		
- In customer premises	12	10
Quality equipment, canteen assets, major Jigs and fixtures and hand tools	5 – 12	15
Other plant and machinery	15 – 20	15
Patterns and dies	5	15
Furniture and fittings	8	10
Aircraft	18	20
Vehicles:		
- Trucks and buses including electric vehicles	5 / 10	8
- Cars and motorcycles	3	8 / 10
Office equipment	8	5
Office equipment – Data processing system (including servers)	5	6

1C.2 Intangible assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately, where the cost exceeds Rs.10,000 and the estimated useful life is two years or more, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from development phase of internal project) is recognised, if and only if, all of the following have been demonstrated:

- technical feasibility of completing the intangible asset;
- intention to complete the intangible asset and intention/ ability to use or sell it;
- how the intangible asset will generate probable future economic benefit;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the attributable expenditure during the development stage.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Useful lives of intangible assets:

Estimated useful lives of the intangible assets, based on technical assessment, are as follows:

Classes of Intangible Assets	Useful life (years)
Computer Software:	
Acquired	5
Developed	5/10
Technical Knowhow:	
Acquired	5/6
Developed	6/10

1C.3 Inventories

Cost of inventories are determined as follows:

- Raw materials and components, stores, spares, consumable tools, stock in trade: on moving weighted average basis; and
- Work-in-progress, works-made components and finished goods: on moving weighted average basis plus appropriate share of overheads.

1C.4 Revenue recognition

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of Products

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product / based on terms of contract. The Company operates predominantly on cash and carry basis excepting sale to State Transport Undertaking (STU), Government project customers based on tender terms and certain export / domestic customers which are on credit basis. The average credit period is in the range of 7 days to 90 days.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., extended warranties, freight etc). In determining the transaction price for the sale of product, the Company considers the effects of variable consideration, the existence of consideration payable to the customer, etc.

Sale of Service

Revenue from services includes certain performance obligations which are recognised over a period of time as and when the services are rendered in accordance with the specific terms of contract with customer. The receipt of consideration for extended warranty services, free services, AMC and freight is generally received when consideration receivable from sale of products is received from customer. In certain cases, the AMC contracts are sold as a separate product on cash basis or on credit as per the contract with customer. On the recognition of the receivable from customer, the Company recognises a contract liability which is then recognised as revenue as once the services are rendered. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. For other cases, the revenue reflects the cash selling price that the customer would have paid for the promised services when the services are transferred to customer. Thus there is no significant financing component.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Incentives

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Significant financing component

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Thus, there is no significant financing component.

Warranty obligations

Refer Note 1E.13 on warranty obligations

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

Trade receivables is part of contract balances as per Ind AS 115.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the services are provided as set out in the contract.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

1C.5 Exceptional Items

The Company considers factors including materiality, the nature and function of the items of income and expense in determining exceptional item and discloses the same in Note 2.8 to the financial statements.

1D. Critical accounting judgments and key sources of estimation uncertainty:

The preparation of standalone financial statements in conformity with Ind AS requires the Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the standalone financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statement and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sale prices of inventory item, changes in the related laws / emission norms and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.

Provision for product warranty

The product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

Impairment of goodwill

The carrying amount of goodwill significant to the Company are stated in Note 3.16. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate which approximates the long term industry growth rates) and appropriate discount rates that reflects current market assessments of time value of money and risks specific to these investments. The Management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Fair value measurements and valuation processes

Some of the assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, third party qualified valuers perform the valuations. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 3.6

1E. Summary of other accounting polices

1E.1 Revenue recognition

Other Operating Revenues:

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Dividend, Interest Income and Other Income:

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Fee on financial guarantee provided by the Company is accrued as Other income.

1E.2 Foreign currency transactions

The Company's foreign operations (including foreign branches) are an integral part of the Company's activities. In preparing the standalone financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not restated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange difference on translation of derivative instruments designated as cash flow hedge (see Note 1E.16 below for hedging accounting policies).

1E.3 Borrowing costs

Borrowing costs (general and specific borrowings) that are attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1E.4 Government Grants

Government grants (including export incentives and incentives on specified goods manufactured in the eligible unit) are recognised only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Grant relating to assets are netted off against the acquisition cost of the asset.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured at the difference between proceeds received and the fair value of the loan based on prevailing market rates.

1E.5 Employee benefits

Retirement benefit costs and termination benefits:

Payments to defined contribution plans i.e., Company's contribution to superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

For defined benefit plans i.e. Company's liability towards gratuity (funded), Company's contribution to provident fund, other retirement/ termination benefits and compensated absences, the cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. In respect of provident fund, contributions made to trusts administered by the Company, the interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be contributed by the Company and charged to the Statement of Profit and Loss.

Defined benefit costs are comprised of:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity and remeasurement of net defined liability pertaining to provident fund comprise of actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Liability for termination benefits like expenditure on Voluntary Retirement Scheme is recognised at the earlier of when the Company can no longer withdraw the offer of termination benefit or when the Company recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1E.6 Share-based payment arrangements

Equity-settled share-based payments to employees (primarily employee stock option plan) are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding account.

1E.7 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax:

Current tax is determined on taxable profits for the period chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits (MAT credit entitlement) to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Uncertainty over income tax treatments

If there is uncertainty over tax treatment of an item, company will predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amounts of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. If it is not probable that tax authority will accept the tax treatment, company will show the effect of the uncertainty for each uncertain tax treatment by using either the most likely outcome or the expected outcome of the uncertainty.

1E.8 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet. Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees, and other direct costs and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment and accordingly the depreciation is computed based on estimated useful lives of the assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

De-recognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1E.9 Intangible assets

Intangible assets acquired separately:

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets.

1E.10 Impairment losses

At the end of each reporting period, the Company determines whether there is any indication that its assets (property, plant and equipment, intangible assets and investments in equity instruments in subsidiaries, joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets under development and goodwill are tested for impairment annually at each balance sheet date. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses (other than impairment of goodwill), the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount carried had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1E.11 Leases

The Indian Accounting Standard on leases (Ind AS 116) requires entity to determine whether a contract is or contains a lease at the inception of the contract.

Ind AS 116 requires lessee to recognise a liability to make lease payments and an asset representing the right–of-use asset during the lease term for all leases except for short term leases and leases of low-value assets, if they choose to apply such exemptions.

Payments associated with short-term leases and low value assets are recognized as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise of office equipments and small items of plant and equipment and office furniture.

At the commencement date, Company recognise a right-of-use asset measured at cost and a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The cost of the right-of-use asset comprise of, the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received.

At the commencement date, the lease payments included in the measurement of the lease liability comprise (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable by the lessee under residual value guarantees;(d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Depreciation on Right-of-use asset is recognised in statement of profit and Loss on a straight line basis over the period of lease and the Company separately recognises interest on lease liability as a component of finance cost in statement of profit and Loss.

1E.12 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost of raw materials and components, stores, spares, consumable tools and stock in trade comprises cost of purchases and includes taxes and duties and is net of eligible credits under CENVAT/ VAT/GST schemes. Cost of work-in-progress, work-made components and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overheads, which is allocated on a systematic basis. Cost of inventories also includes all other related costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1E.13 Provisions and Contingent liabilities

Provisions:

Provisions are recognised when the Company has a present obligation (legal, contractual or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Warranties:

Provisions for expected cost of warranty obligations under legislation governing sale of goods are recognised on the date of sale of the relevant products at the Management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.

Contingent liabilities:

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

1E.14 Business Combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 'Business Combinations'.

Other business combinations, involving entities or businesses are accounted for using acquisition method. Consideration transferred in such business combinations is measured at fair value as on the acquisition date, which comprises the following:

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the Company

Goodwill is recognised and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net fair value of assets and liabilities acquired.

1E.15 Goodwill

Goodwill arising on business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to the Company's cash-generating unit that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash-generating unit is determined for each cash-generating unit based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1E.16 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification of financial assets

The financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (except for financial assets carried at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement:

(i) Financial assets (other than investments and derivative instruments) are subsequently measured at amortised cost using the effective interest method.

Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding.

Income on such debt instruments is recognised in profit or loss and is included in the "Other Income".

The Company has not designated any debt instruments as fair value through other comprehensive income.

(ii) Financial assets (i.e. derivative instruments and investments in instruments other than equity of subsidiaries, joint ventures and associates) are subsequently measured at fair value.

Such financial assets are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss and included in the "Other Income".

Investments in equity instruments of subsidiaries, joint ventures and associates

The Company measures its investments in equity instruments of subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27.

Impairment of financial assets:

A financial asset is regarded as credit impaired or subject to significant increase in credit risk, when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

De-recognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities (other than derivative instruments) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Interest expense that is not capitalised as part of cost of an asset is included in the "Finance Costs".

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured (if not designated as at Fair value though profit or loss) at the higher of:

- the amount of impairment loss allowance determined in accordance with requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps. Further details of derivative financial instruments are disclosed in Note 3.6.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at Fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Derivatives embedded in all other host contracts are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

Hedge accounting:

The Company designates certain derivatives as hedging instruments in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 3.6 sets out details of the fair values of the derivative instruments used for hedging purposes.

Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the “Other Income”.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and are included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

1E.17 Assets held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and disclosed separately in balance sheet. Liabilities associated with assets classified as held for sale are estimated and disclosed separately in the balance sheet.

1E.18 Segment Reporting

The Company is principally engaged in a single business segment viz. commercial vehicles and related components based on nature of products, risks, returns and the internal business reporting system. The Board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company’s performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit. Accordingly, there is no other reportable segment in terms of Ind AS 108 ‘Operating Segments’. The Company has opted for exemption under Ind AS 108 ‘Operating Segments’, as the segment reporting is reported in its consolidated financial statements.

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				DEPRECIATION				NET CARRYING AMOUNT
Property, plant and equipment (PPE)	01.04.2023	Additions	Disposals	31.03.2024	01.04.2023	Charge during the year	Disposals	31.03.2024	31.03.2024
Freehold land	717.25	0.35	-	717.60	-	-	-	-	717.60
Buildings	1,826.58	63.45	0.43	1,889.60	491.08	71.91	0.42	562.57	1,327.03
Buildings given on lease	13.24	-	-	13.24	2.08	0.29	-	2.37	10.87
Plant and equipment	5,776.74	122.67	46.24	5,853.17	3,167.84	430.20	42.76	3,555.28	2,297.89
Plant and equipment given on lease	0.03	-	-	0.03	0.01	#	-	0.01	0.02
Furniture and fittings	74.16	5.12	0.47	78.81	58.29	4.87	0.45	62.71	16.10
Furniture and fittings given on lease	0.25	-	-	0.25	0.25	-	-	0.25	-
Vehicles including electric vehicles	53.76	65.49	9.74	109.51	50.26	7.50	9.74	48.02	61.49
Aircraft given on lease	77.99	-	-	77.99	63.91	6.65	-	70.56	7.43
Office equipment	191.75	41.34	1.68	231.41	150.18	19.05	1.61	167.62	63.79
Total	**8,731.75**	**298.42**	**58.56**	**8,971.61**	**3,983.90**	**540.47**	**54.98**	**4,469.39**	**4,502.22**

Description	01.04.2023	Additions / Adjustments	Capitalised during the year	31.03.2024
Capital work-in-progress (CWIP)	48.95	345.00	298.42	95.53

amount is below rounding off norms adopted by the Company.

CWIP Ageing Schedule

₹ Crores

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	83.41	1.21	0.38	10.53	**95.53**

Of the above, there are no projects where the cost has exceeded the budget. Project whose completion is delayed (temporarily suspended) is as follows:

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project relating to certain facilities / infrastructure development	10.44	-	-	-	**10.44**

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (Contd.)

Title deeds of Freehold land not held in the name of the Company

₹ Crores

Property Description	Asset Class	Address	Total Acres (Approx.)	Gross / Net carrying value (Refer Sub-Note 5)	Reason for not in the name of the Company	Property in the name of
Ennore, Tamil Nadu	Freehold Land	Kathivakkam High Road, Ennore, Chennai 600 057	35.22	81.00	This land was acquired from Hinduja Foundries Limited by the Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Uppal, Telangana	Freehold Land	Industrial Development Area, Uppal, Ranga Reddy District, Telangana	15.36	123.00	This land was acquired from Hinduja Foundries Limited by the Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Mallavalli, Andhra Pradesh	Freehold Land	Plot no. 2 & 3 of Model Industrial Park situated at Mallavalli Village, Bapulapadu Mandal, Krishna District	75.00	13.02	The Agreement for Sale has been registered in the name of the Company. The Conveyance Deed is to be executed by the Authority upon fulfilment of the certain conditions by the Company.	Agreement for sale registered in the name of the Company. Final Conveyance deed is to be executed.

Notes:

1. Cost of Buildings as at March 31, 2024 includes:

   a) ₹ 0.03 crores being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.

   b) ₹ 1.32 crores representing cost of residential flats including undivided interest in land.

2. For details of assets given as security against borrowings, Refer Note 3.11(a).

3. For amount of contractual commitments for the acquisition of PPE, Refer Note 3.10(a).

4. Expenses capitalised ₹ Nil crores - Refer Notes 2.4, 2.5 and 2.7 to the standalone financial statements.

5. The gross carrying value and net carrying value of buildings located on freehold and leasehold land for which title is yet to be transferred in the name of the Company amounts to ₹ 233.82 crores and ₹ 189.88 crores respectively.

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				DEPRECIATION				NET CARRYING AMOUNT
Property, plant and equipment (PPE)	01.04.2022	Additions	Disposals	31.03.2023	01.04.2022	Charge during the year	Disposals	31.03.2023	31.03.2023
Freehold land	717.25	-	-	717.25	-	-	-	-	717.25
Buildings	1,792.14	40.61	6.17	1,826.58	420.61	76.63	6.16	491.08	1,335.50
Buildings given on lease	13.24	-	-	13.24	1.79	0.29	-	2.08	11.16
Plant and equipment	5,523.60	271.59	18.45	5,776.74	2,735.20	449.15	16.51	3,167.84	2,608.90
Plant and equipment given on lease	0.03	-	-	0.03	0.01	#	-	0.01	0.02
Furniture and fittings	73.32	0.91	0.07	74.16	53.58	4.78	0.07	58.29	15.87
Furniture and fittings given on lease	0.25	-	-	0.25	0.25	-	-	0.25	-
Vehicles including electric vehicles	57.90	2.67	6.81	53.76	54.45	2.35	6.54	50.26	3.50
Aircraft given on lease	77.99	-	-	77.99	54.17	9.74	-	63.91	14.08
Office equipment	173.82	18.90	0.97	191.75	132.36	18.69	0.87	150.18	41.57
Total	**8,429.54**	**334.68**	**32.47**	**8,731.75**	**3,452.42**	**561.63**	**30.15**	**3,983.90**	**4,747.85**

₹ Crores

Description	01.04.2022	Additions/ Adjustment	Capitalised during the year	31.03.2023
Capital work-in-progress (CWIP)	111.11	272.04	334.20	48.95

amount is below rounding off norms adopted by the Company.

CWIP Ageing Schedule

₹ Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	37.54	0.83	0.42	10.16	48.95

Of the above, there are no projects where the cost has exceeded the budget. Project whose completion is delayed (temporarily suspended) is as follows:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project relating to certain facilities/ infrastructure development	10.44	-	-	-	10.44

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (Contd.)

Title deeds of Freehold land not held in the name of the Company

₹ Crores

Property Description	Asset Class	Address	Total Acres (Approx.)	Gross / Net carrying value (Refer Sub-Note 5)	Reason for not in the name of the Company	Property in the name of
Ennore, Tamil Nadu	Freehold Land	Kathivakkam High Road, Ennore, Chennai 600 057	35.22	81.00	This land was acquired from Hinduja Foundries Limited by the Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Uppal, Telangana	Freehold Land	Industrial Development Area, Uppal, Ranga Reddy District, Telangana	15.36	123.00	This land was acquired from Hinduja Foundries Limited by the Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Mallavalli, Andhra Pradesh	Freehold Land	Plot no. 2 & 3 of Model Industrial Park situated at Mallavalli Village, Bapulapadu Mandal, Krishna District	75.00	13.02	The Agreement for Sale has been registered in the name of the Company. The Conveyance Deed is to be executed by the Authority upon fulfilment of the certain conditions by the Company.	Agreement for sale registered in the name of the Company. Final Conveyance deed is to be executed.

Notes:

1. Cost of Buildings as at March 31, 2023 includes:
   a) ₹ 0.03 crores being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.
   b) ₹ 1.32 crores representing cost of residential flats including undivided interest in land.
2. For details of assets given as security against borrowings, Refer Note 3.11(a).
3. For amount of contractual commitments for the acquisition of PPE, Refer Note 3.10(a).
4. Expenses capitalised ₹ Nil crores - Refer Notes 2.4, 2.5 and 2.7 to the standalone financial statements.
5. The gross carrying value and net carrying value of buildings located on freehold and leasehold land for which title is yet to be transferred in the name of the Company amounts to ₹ 221.78 crores and ₹ 186.61 crores respectively.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.1A RIGHT-OF-USE ASSET

₹ Crores

Description	Net Carrying Amount 01.04.2023	Additions	Depreciation	Net Carrying Amount 31.03.2024
Leasehold Land	199.79	6.70	2.91	203.58
Building	23.49	9.64	9.79	23.34
Plant and equipment	5.46	0.10	0.89	4.67
Vehicle	8.24	-	4.53	3.71
Total	**236.98**	**16.44**	**18.12**	**235.30**

Title deeds of Leasehold land not held in the name of the Company

₹ Crores

Property Description	Asset Class	Address	Total Acres (Approx.)	Gross carrying value * (Also Refer Note 1.1 Sub - Note 5)	Net carrying value * (Also Refer Note 1.1 Sub - Note 5)	Reason for not in the name of the Company	Property in the name of
Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.48	The leasehold rights were originally granted to Hinduja Foundries Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Pillaipakkam, Tamil Nadu (Refer Sub-Note 6)	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	113.00	48.96	45.87	The leasehold rights were originally granted to Ashok Leyland Nissan Vehicles Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Ashok Leyland Nissan Vehicles Limited (merged with Ashok Leyland Limited)
Bhandara, Maharashtra	Leasehold Land	P O Box 15, Plot No.1, MIDC Industrial Area, Gadegao Lakhani Taluk, Bhandara, Maharashtra	15.82	0.01	0.01	This is a land leased to the Company by the Maharashtra Industrial development Corporation. However, a portion of the land (6.40 hectares) occupied and used by the Company for factory building has been considered unauthorised being a Forest Land. The Company had approached the Mumbai High Court and subsequently pursuant to its orders has applied for the regularisation of the said portion of forest land in exchange of alternate land for afforestation.	Ashok Leyland Limited (under regularisation)

* excludes security deposit

Notes:

1. Escalation clause - the percentage of escalation is up to a maximum of 15%.
2. Discounting rate used for the purpose of computing right to use asset ranges from 6% to 9%.
3. Rental amount per annum ranges from ₹ 0.01 crores to ₹ 2.27 crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
4. The lease period ranges from 2 years to 90 years over which the right to use asset is depreciated on a straight line basis.
5. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.
6. During the year ended March 31, 2023, a portion of leasehold land was surrendered to State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) and surrender value was received by the Company. The Company is in the process of registering the modified lease deed for the balance portion of leasehold land.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.1A RIGHT-OF-USE ASSET

₹ Crores

Description	Net Carrying Amount 01.04.2022	Additions	Closure / Pre closure	Depreciation	Net Carrying Amount 31.03.2023
Leasehold Land	256.85	-	54.15	2.91	199.79
Building	19.81	11.81	-	8.13	23.49
Plant and equipment	6.46	-	-	1.00	5.46
Vehicle	13.46	-	-	5.22	8.24
Total	**296.58**	**11.81**	**54.15**	**17.26**	**236.98**

Title deeds of Leasehold land not held in the name of the Company

₹ Crores

Property Description	Asset Class	Address	Total Acres (Approx.)	Gross carrying value * (Also Refer Note 1.1 Sub-Note 5)	Net carrying value * (Also Refer Note 1.1 Sub-Note 5)	Reason for not in the name of the Company	Property in the name of
Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.63	The leasehold rights were originally granted to Hinduja Foundries Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Company vide amalgamation order passed by the National Company Law Tribunal, Chennai.The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Pillaipakkam, Tamil Nadu (Refer Sub-Note 6)	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	113.00	48.96	46.38	The leasehold rights were originally granted to Ashok Leyland Nissan Vehicles Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Ashok Leyland Nissan Vehicles Limited (merged with Ashok Leyland Limited)
Bhandara, Maharashtra	Leasehold Land	P O Box 15, Plot No.1, MIDC Industrial Area, Gadegao Lakhani Taluk, Bhandara, Maharashtra	15.82	0.01	0.01	This is a land leased to the Company by the Maharashtra Industrial development Corporation. However, a portion of the land (6.40 hectares) occupied and used by the Company for factory building has been considered unauthorised being a Forest Land. The Company had approached the Mumbai High Court and subsequently pursuant to its orders has applied for the regularisation of the said portion of forest land in exchange of alternate land for afforestation.	Ashok Leyland Limited (under regularisation)

* excludes security deposit

Notes:

1. Escalation clause - the percentage of escalation is up to a maximum of 15%.
2. Discounting rate used for the purpose of computing right to use asset ranges from 6% to 8.50%.
3. Rental amount per annum ranges from ₹ 0.01 crores to ₹ 1.87 crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
4. The lease period ranges from 2 years to 90 years over which the right to use asset is depreciated on a straight line basis.
5. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.
6. During the year a portion of leasehold land has been surrendered to State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) and surrender value is received by the Company. The Company is in the process of registering the modified lease deed for the balance portion of leasehold land.

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				AMORTISATION				NET CARRYING AMOUNT
Other intangible assets	01.04.2023	Additions	Disposals	31.03.2024	01.04.2023	Charge during the year	Disposals	31.03.2024	31.03.2024
Computer software									
- Developed	103.38	-	-	103.38	103.38	-	-	103.38	-
- Acquired	139.27	11.83	-	151.10	120.69	7.02	-	127.71	23.39
Technical knowhow (Includes Product Development)									
- Developed	1,449.37	42.35	-	1,491.72	616.74	144.10	-	760.84	730.88
- Acquired	40.48	-	-	40.48	22.27	8.10	-	30.37	10.11
Total	**1,732.50**	**54.18**	**-**	**1,786.68**	**863.08**	**159.22**	**-**	**1,022.30**	**764.38**

Description	01.04.2023	Additions / Adjustments*	Impairment (Refer Note 2.8)	Capitalised during the year*	31.03.2024
Intangible assets under development (IAUD)	83.57	94.89	18.28	54.18	106.00

* Includes acquired computer software.

Ageing of Intangible assets under development

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	69.43	26.41	5.44	4.72	106.00

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion is delayed (includes temporarily suspended projects) is as follows:

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects relating to Technical knowhow - Product development	48.94	-	-	-

Notes:

1. Additions to other intangible assets and Intangible assets under development include:

   Expenses capitalised ₹ 81.17 crores - Refer Notes 2.4, 2.5 and 2.7 to the standalone financial statements.

2. For amount of contractual commitments for the acquisition of intangible assets, Refer Note 3.10(a).

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				AMORTISATION				NET CARRYING AMOUNT
Other intangible assets	01.04.2022	Additions	Disposals	31.03.2023	01.04.2022	Charge during the year	Disposals	31.03.2023	31.03.2023
Computer software									
- Developed	103.38	-	-	103.38	100.11	3.27	-	103.38	-
- Acquired	129.15	10.31	0.19	139.27	109.81	11.07	0.19	120.69	18.58
Technical knowhow (Includes Product Development)									
- Developed	1,314.49	134.88	-	1,449.37	486.11	130.63	-	616.74	832.63
- Acquired	40.48	-	-	40.48	14.17	8.10	-	22.27	18.21
Total	**1,587.50**	**145.19**	**0.19**	**1,732.50**	**710.20**	**153.07**	**0.19**	**863.08**	**869.42**

Description	01.04.2022	Additions / Adjustments*	Capitalised during the year*	31.03.2023
Intangible assets under development (IAUD)	83.16	145.60	145.19	83.57

* Includes acquired computer software.

Ageing of Intangible assets under development

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	47.36	11.45	3.16	21.60	83.57

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion is delayed (includes temporarily suspended projects) is as follows:

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects relating to Technical knowhow - Product development	46.37	-	-	-

Notes:

1. Additions to other intangible assets and Intangible assets under development include:

   Expenses capitalised ₹ 131.88 crores - Refer Notes 2.4, 2.5 and 2.7 to the standalone financial statements.

2. For amount of contractual commitments for the acquisition of intangible assets, Refer Note 3.10(a).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

DESCRIPTION	As at March 31, 2024		As at March 31, 2023	
	Nos	₹ Crores	Nos	₹ Crores
A) Investments in Equity Instruments (unquoted) (fully paid up unless otherwise stated)				
1) Subsidiaries (at cost)				
a) Equity Shares of ₹ 10 each				
Global TVS Bus Body Builders Limited	66,00,000	14.50	66,00,000	14.50
HLF Services Limited	27,000	0.56	27,000	0.56
Ashley Aviation Limited	4,27,00,000	41.70	3,87,00,000	37.70
Albonair (India) Private Limited (Refer Sub-Note 3)	4,50,00,000	56.15	4,50,00,000	56.15
Hinduja Leyland Finance Limited (Refer Sub-Note 4 and 9)	32,32,46,338	1,931.16	32,32,46,338	1,931.16
OHM Global Mobility Private Limited	30,00,00,000	300.00	-	-
Hinduja Tech Limited (Refer Sub-Note 3)	15,39,50,000	167.57	15,39,50,000	167.57
Vishwa Buses and Coaches Limited	3,98,00,000	39.80	3,64,00,000	36.40
b) Equity Shares of ₹ 100 each				
Gulf Ashley Motor Limited (Refer Sub-Note 3)	27,66,428	27.94	27,66,428	27.94
c) Equity Shares				
Optare Plc (Refer Sub-Note 3)				
Ordinary shares of British Pence 0.1 each	1,00,61,38,53,568	2,130.89	88,15,37,04,162	931.58
Deferred shares of British Pence 0.9 each	19,55,57,828	-	19,55,57,828	-
d) Deemed Equity				
Switch Mobility Automotive Limited (Refer Sub-Note 5)	-	129.60	-	129.60
e) Equity shares of Naira 1 each				
Ashok Leyland (Nigeria) Limited	99,99,999	0.36	99,99,999	0.36
f) Equity shares of USD 20 each				
Ashok Leyland (Chile) S.A.	28,499	3.76	28,499	3.76
g) Equity Shares of Euro 1 each				
Albonair GmbH (Refer Sub-Note 3)	5,24,95,000	460.09	5,24,95,000	460.09
h) Equity shares of UAE Dirhams of 1,000 each				
Ashok Leyland (UAE) LLC (Refer Sub-Note 3)	35,770	110.49	35,770	110.49
(including beneficial interest of ₹ 56.41 crores)				
2) Associates (at cost)				
a) Equity Shares of ₹ 10 each				
Ashok Leyland Defence Systems Limited (Refer Sub-Note 3)	79,92,218	25.39	50,27,567	5.03
Mangalam Retail Services Limited	37,470	0.04	37,470	0.04
b) Equity shares of Srilankan Rupees 10 each - (quoted)				
Lanka Ashok Leyland, Plc	10,08,332	0.57	10,08,332	0.57
3) Joint Ventures (at cost)				
Equity Shares of ₹ 10 each				
Ashley Alteams India Limited (Refer Sub-Note 3)	7,59,47,500	46.51	7,59,47,500	46.51
Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)	17,27,270	1.73	17,27,270	1.73
TVS Trucks and Buses Private Limited	2,49,50,000	24.95	-	-
GRO Digital Platforms Limited	2,50,00,000	25.00	1,00,00,000	10.00
Sub Total		**5,538.76**		**3,971.74**
Less: Impairment in Value of Investments				
Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)		1.73		1.73
Ashley Aviation Limited		41.70		37.70
Gulf Ashley Motor Limited		12.34		12.34
Albonair GmbH		460.09		460.09
Ashok Leyland (Chile) S.A.		3.76		3.76
Aggregate of Impairment in Value of Investments		**519.62**		**515.62**
Sub Total		**5,019.14**		**3,456.12**

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

DESCRIPTION	As at March 31, 2024		As at March 31, 2023	
	Nos	₹ Crores	Nos	₹ Crores
4) Others (At Fair value through profit or loss)				
a) Equity Shares of ₹ 10 each				
Rajalakshmi Wind Energy Limited (formerly Ashok Leyland Wind Energy Limited)	78,12,950	9.12	78,12,950	9.12
Chennai Willingdon Corporate Foundation (Cost ₹ 900)	100	#	100	#
Hinduja Energy (India) Limited (Refer Sub-Note 10)	6,11,47,058	22.01	6,11,47,058	147.00
Kamachi Industries Limited	5,25,000	-	5,25,000	-
Prathama Solarconnect Energy Private Limited	1,86,56,912	18.67	1,86,56,912	18.67
HR Vaigai Private Limited (Cost ₹ 26,000)	2,600	#	2,600	#
b) Equity shares of ₹ 100 each partly paid-up				
Adyar Property Holding Co. Limited (₹ 65 paid up) [Cost ₹ 19,500] (Refer Note 3.10 (b))	300	#	300	#
Sub Total		**49.80**		**174.79**
Total Investments in Equity Instruments (net)		**5,068.94**		**3,630.91**
B) Investments in Preference Shares (At Fair value through profit or loss) (unquoted)				
1) Subsidiaries				
Ashok Leyland (UAE) LLC 6% Non-Cumulative Non-Convertible Redeemable Preference shares of AED 1,000 each	23,000	44.60	23,000	42.89
Switch Mobility Automotive Limited (Refer Sub-Note 5) 8.5% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 100 each	3,01,00,000	164.88	3,01,00,000	171.40
Hinduja Tech Limited 1% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 10 each	-	-	2,39,00,000	15.40
2) Associates				
Ashok Leyland Defence Systems Limited 6% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 10 each	1,00,00,000	7.27	1,00,00,000	6.93
Total Investments in Preference Shares		**216.75**		**236.62**
C) Investment in Special Limited Partnership (At Fair value through profit or loss)				
Vasuki SCSp (Refer Sub-Note 7)		25.02		24.65
		25.02		**24.65**
Total		**5,310.71**		**3,892.18**

amount is below rounding off norms adopted by the Company.

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

Notes:

1. Particulars	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
Aggregate value of unquoted investments (including deemed equity investment of ₹ 129.60 crores)	5,829.76	4,407.23
Aggregate value of quoted investments	0.57	0.57
Aggregate value of impairment in value of investments	519.62	515.62

2. Investments are fully paid-up unless otherwise stated.
3. The equity investments in a joint venture company can be transferred / pledged / disposed off / encumbered only with the consent of banks / financial institutions who have given loans to the joint venture company. The equity investments in certain subsidiaries and associates can be disposed off only with the consent of banks / financial institutions who have given loans to these companies.
4. Lock-in commitment in the shareholders agreement: [Also refer Note 3.10(c)]

Particulars	No of Shares
Hinduja Leyland Finance Limited	2,84,72,743

5. During the year ended March 31, 2023, Switch Mobility Automotive Limited, a step-down subsidiary of the Company, settled the consideration on transfer of Electric vehicle business along with the interest accrued and working capital adjustments thereon, aggregating to ₹ 301 crores by issuing 3,01,00,000 8.5% Non-Cumulative Non-Convertible Redeemable Preference Shares (NCRPS), at a nominal value and issue price of ₹ 100/- each. Consequently, the Company recognised a deemed equity portion on fair valuation of the aforementioned preference shares of Switch Mobility Automotive Limited, being a transaction between common control entities. Also refer Note 3.8.
6. Number of shares held by the Company includes joint holding / beneficial interest.
7. The Company holds 9.09% of Class A units in the special limited partnership.
8. The investments made by the Company is in compliance with section 180 and 186 with respect to layers of investment permitted under the Companies Act, 2013.
9. During the year ended March 31, 2023, the Board of Directors of Hinduja Leyland Finance Ltd (HLFL), a subsidiary of the company, had approved a scheme of merger by absorption of HLFL into NXT DIGITAL Limited (currently NDL Ventures Limited), subject to the receipt of approvals from various statutory and regulatory authorities, respective shareholders and creditors, at a share exchange ratio of Twenty-five equity shares of face value of ₹10/- each of NDL Ventures Limited for every Ten equity shares of face value of ₹10/- each held in HLFL. In this regard, HLFL has obtained a No-Objection Certificate from the Reserve Bank of India. Subsequently, NDL Ventures Limited has also applied to the Reserve Bank of India for registration as a Non-Banking Financial Company (NBFC), which is currently under process.
10. The Company has recorded a loss on fair valuation of equity investment in Hinduja Energy (India) Limited (HEIL) amounting to Rs 124.99 crores (March 31, 2023: gain on fair valuation Rs 65.67 crores) under exceptional item based on business plan of HEIL, external factors and the independent valuers report. The discounted cash flow method uses post tax discount rate of 11.60% (March 31, 2023 :11.70%). Both pre tax discount rate and post tax discount rate gives the same recoverable amount. Also Refer Note 3.6.4 (B).

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1.4 NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
(Unsecured, considered good)		
Trade receivables		
Related parties (Refer Note 3.8)	0.25	0.63
	0.25	0.63

Refer Note 1.10 for ageing of trade receivables

Note:

These are carried at amortised cost.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

			As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.5	**NON-CURRENT - OTHER FINANCIAL ASSETS**			
	(Unsecured, considered good unless otherwise stated)			
	a)	Other receivables *		
		Considered doubtful	3.95	3.99
		Less: Allowance for doubtful receivables	3.95	3.99
			-	-
	b)	Derivatives designated as hedging instruments carried at fair value	4.48	43.14
	c)	Others		
		i. Employee advances	1.96	0.94
		ii. Others (including paid under protest)	17.85	14.17
			19.81	**15.11**
	d)	Security deposits		
		Considered good	40.65	39.05
		Considered doubtful	1.33	0.43
		Less: Allowance for doubtful receivables	1.33	0.43
			40.65	**39.05**
			64.94	**97.30**

* includes receivable on sale of windmill undertaking of the Company.

Notes:

1. These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss / other comprehensive income.
2. Movement in allowance for doubtful other receivables is as follows:

Particulars	March 2024	March 2023
Opening	3.99	3.99
Add: Additions	-	-
Less: Utilisations / Reversals	0.04	-
Closing	3.95	3.99

3. Movement in allowance for doubtful security deposits is as follows:

Particulars	March 2024	March 2023
Opening	0.43	0.23
Add: Additions	1.13	0.33
Less: Utilisations / Reversals	0.23	0.13
Closing	1.33	0.43

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.5A	**ASSETS CLASSIFIED AS HELD FOR SALE**		
	Property, plant and equipment and Capital work-in-progress (net of provision for assets held for sale relating to EMAAS business)	47.15	47.15
	Right of use asset	5.87	5.87
	Non-current and current financial assets (includes trade and other receivables, etc)	6.33	13.82
	Non-current and current assets	0.40	0.73
	Inventories	6.27	4.35
		66.02	**71.92**
1.5B	**LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE**		
	Non-current and current financial liabilities (includes trade and other payables, etc)	15.75	10.76
	Non-current and current liabilities (includes contract liabilities, etc)	1.02	0.05
	Non-current and current provision (includes provision for employee benefits)	0.06	0.06
		16.83	**10.87**

Note:

In the meeting held on November 12, 2021, the Board of Directors of the Company had approved the transfer of "Electric Vehicle Mobility As A Service (EMAAS)" business. The Company has since received the regulatory approvals and accordingly classified the associated assets and liabilities as "Held for sale".

The fair value of the EMAAS business was determined using the Income approach. In this approach, the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the business. This is a level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures. The key inputs are:

a) the estimated cash flows; and

b) the discount rate to compute the present value of the future expected cash flows

The transfer of business will be consummated on receipt of certain other approvals expected within the next twelve months.

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.6A	**NON-CURRENT - INCOME TAX ASSETS (NET)**		
	Advance income tax (net of provision)	50.34	133.91
		50.34	**133.91**

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.6B	**CURRENT TAX LIABILITIES (NET)**		
	Provision for taxation (net of advance tax)	526.24	123.47
		526.24	**123.47**

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.7 OTHER NON-CURRENT ASSETS		
(Unsecured, considered good unless otherwise stated)		
a) Capital advances		
i. Advances to related parties (Refer Note 3.8)		
Considered good	1.83	-
ii. Others		
Considered good	95.89	41.24
Considered doubtful	1.65	1.66
Less: Allowance for doubtful advances	1.65	1.66
	97.72	**41.24**
b) Balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc. (including paid under protest)		
Considered good	30.67	5.98
Considered doubtful	2.90	2.90
Less: Allowance for doubtful balances	2.90	2.90
	30.67	**5.98**
c) Others		
i. Sales tax paid (including paid under protest)	212.25	213.53
ii. Other advances (includes prepaid expenses, etc.)	28.45	66.57
	240.70	**280.10**
	369.09	**327.32**

Note :

1. Movement in allowance for doubtful advances towards capital advances is as follows:

Particulars	March 2024	March 2023
Opening	1.66	0.82
Add: Additions	-	0.84
Less: Utilisations / Reversals	0.01	-
Closing	1.65	1.66

2. Movement in allowance for doubtful balances towards balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc. is as follows:

Particulars	March 2024	March 2023
Opening	2.90	2.90
Add: Additions	-	-
Less: Utilisations	-	-
Closing	2.90	2.90

		As at March 31, 2024	As at March 31, 2023
		₹ Crores	₹ Crores
1.8	**INVENTORIES**		
	(a) Raw materials and components	903.43	1,036.53
	(b) Work-in-progress	344.18	284.43
	(c) Finished goods	1,526.49	1,099.34
	(d) Stock-in-trade		
	Spare parts and auto components (including works made)	288.76	264.72
	(e) Stores, spares and consumable tools	127.83	89.46
		3,190.69	**2,774.48**

Notes:

	March 2024	March 2023
1. Goods-in-transit included above are as below :		
(a) Raw materials and components	20.94	6.60
(b) Stock-in-trade		
Spares parts and auto components (including works made)	-	2.81

2. Cost of inventories (including cost of stock-in-trade purchased and write down of inventories) recognised as an expense during the year are ₹27,912.01 crores (2022-23: ₹27,849.15 crores).
3. For details of assets given as security against borrowings - Refer Notes 3.11 and 3.12

		As at March 31, 2024	As at March 31, 2023
		₹ Crores	₹ Crores
1.9	**CURRENT FINANCIAL ASSETS - INVESTMENTS**		
	(Unquoted unless otherwise stated)		
	Units in mutual funds	225.16	2,771.42
	(March 31, 2024: 12,76,761.54 units; March 31, 2023: 1,90,75,596.56 units)		
	Investments in Preference Shares		
	Hinduja Tech Limited (Subsidiary) 1% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹10 each (March 2024: 2,39,00,000 shares)	23.90	-
		249.06	**2,771.42**

Note:

These are carried at fair value through profit or loss

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1.10 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
(Unsecured)		
Considered good		
Related parties (Refer Note 3.8)	368.28	259.75
Others	3,319.07	3,919.76
	3,687.35	**4,179.51**
Less: Loss allowance	117.70	117.43
	3,569.65	**4,062.08**

Ageing for trade receivable (Refer Note 1.4 and 1.10) ₹ Crores

Year ended March 31, 2024	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables							
- considered good	1,471.79	1,697.90	171.16	56.82	1.10	24.85	3,423.62
(ii) Disputed Trade Receivables							
- considered good	-	1.88	1.90	10.13	17.94	232.13	263.98
Gross Receivables	**1,471.79**	**1,699.78**	**173.06**	**66.95**	**19.04**	**256.98**	**3,687.60**
Less: Loss allowance							117.70
Total							**3,569.90**

Year ended March 31, 2023	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables							
- considered good	3,389.54	348.94	129.17	6.89	3.80	31.27	3,909.61
(ii) Disputed Trade Receivables							
- considered good	-	13.02	6.05	17.94	19.27	214.25	270.53
Gross Receivables	**3,389.54**	**361.96**	**135.22**	**24.83**	**23.07**	**245.52**	**4,180.14**
Less: Loss allowance							117.43
Total							**4,062.71**

Notes :

1. Movement in loss allowance is as follows:

Particulars	March 2024	March 2023
Opening	117.43	116.51
Add: Additions	8.81	6.39
Less: Utilisations / Reversals	8.54	5.47
Closing	117.70	117.43

2. These are carried at amortised cost.
3. For details of assets given as security against borrowings - Refer Notes 3.11 and 3.12.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.11A. CASH AND CASH EQUIVALENTS		
i) Balance with banks:		
a) In current accounts	15.98	7.77
b) In cash credit accounts	1,015.49	446.22
c) In deposit accounts *	910.00	-
ii) Cheques, drafts on hand	0.34	-
iii) Cash and stamps on hand	0.06	0.12
	1,941.87	**454.11**

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.11B. BANK BALANCES OTHER THAN (A) ABOVE		
i) Unclaimed dividend accounts (earmarked)	10.22	10.30
ii) Unpaid dividend (earmarked) (Refer Note 1.15 (G) & 1.23)	1,453.48	-
iii) Escrow bank account (earmarked)	32.61	36.88
	1,496.31	**47.18**

* This represents deposits with original maturity of less than or equal to 3 months.

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.12. CURRENT FINANCIAL ASSETS - LOANS		
(Unsecured, considered good)		
Loans to related parties	95.00	-
(Refer Note 3.8)		
	95.00	**-**

Notes:

1. These are carried at amortised cost.
2. There are no loans/ advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are repayable on demand and that are without specifying any terms or period of repayment.

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.12A CURRENT - OTHER FINANCIAL ASSETS		
(Unsecured, considered good unless otherwise stated)		
a) Interest accrued	1.92	8.88
b) Employee advances	26.15	22.99
c) Derivatives designated as hedging instruments carried at fair value	48.64	55.70
d) Receivable from related parties (Refer Note 3.8)		
i. Advances in foreign currency	-	0.85
ii. Other receivable	1.90	-
	1.90	**0.85**
e) Intercorporate deposits		
i. Related Parties (Refer Note 3.8)	-	200.00
ii. Others	100.00	-
	100.00	**200.00**
f) Revenue grants receivable		
Considered good	25.21	25.69
Considered doubtful	9.03	8.89
	34.24	**34.58**
Less: Allowance for doubtful receivable	9.03	8.89
	25.21	**25.69**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

			As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.12A	**CURRENT - OTHER FINANCIAL ASSETS (Contd.)**			
	g)	Receivable from Government authorities		
		Considered good	3.75	3.75
		Considered doubtful	3.90	3.90
			7.65	**7.65**
		Less: Allowance for doubtful amount	3.90	3.90
			3.75	**3.75**
	h)	Others (includes expenses recoverable, etc.)		
		Considered good		
		Related parties (Refer note 3.8)	3.59	-
		Others	28.84	60.62
		Considered doubtful	36.55	36.55
			68.98	**97.17**
		Less: Allowance for doubtful amount	36.55	36.55
			32.43	**60.62**
	i)	Security deposits		
		Considered good	1.80	2.96
		Considered doubtful	0.07	0.07
			1.87	**3.03**
		Less: Allowance for doubtful deposits	0.07	0.07
			1.80	**2.96**
	j)	Bank deposits with original maturity of greater than 12 months	-	200.00
			241.80	**581.44**

Notes:

1. These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss / other comprehensive income.
2. Movement in Allowance for doubtful receivable (Revenue grants receivable) is as follows:

Particulars	March 2024	March 2023
Opening Balance	8.89	8.89
Add: Additions	0.14	-
Less: Utilisations / Reversals	-	-
Closing Balance	9.03	8.89

3. Movement in Allowance for doubtful receivable (others) is as follows:

Particulars	March 2024	March 2023
Opening Balance	36.55	20.51
Add: Additions	-	7.04
Add: Reclassification	-	9.00
Less: Utilisations / Reversals	-	-
Closing Balance	36.55	36.55

4. Movement in Allowance for doubtful receivable (Receivable from government authorities) is as follows:

Particulars	March 2024	March 2023
Opening Balance	3.90	3.90
Add: Transfer	-	-
Less: Utilisations / Reversals	-	-
Closing Balance	3.90	3.90

5. Movement in Allowance for doubtful security deposits is as follows:

Particulars	March 2024	March 2023
Opening Balance	0.07	-
Add: Addition	-	0.07
Less: Utilisations / Reversals	-	-
Closing Balance	0.07	0.07

6. There are no Intercorporate deposits granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are repayable on demand and that are without specifying any terms or period of repayment.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.13	**OTHER CURRENT ASSETS**		
	(Unsecured, considered good unless otherwise stated)		
	a) Supplier advances		
	Considered good	36.62	27.25
	Considered doubtful	0.97	0.97
		37.59	**28.22**
	Less: Allowance for doubtful advances	0.97	0.97
		36.62	**27.25**
	b) Balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc.	694.59	827.32
	c) Others*	81.48	86.42
		812.69	**940.99**
	*** Includes:**		
	- Prepaid expenses	78.15	85.42

Note:

Movement in Allowance for doubtful advances is as follows:

Particulars	March 2024	March 2023
Opening	0.97	0.97
Add: Additions	-	-
Less: Utilisations / Reversals	-	-
Closing	0.97	0.97

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.14	**EQUITY SHARE CAPITAL**		
	Authorised		
	27,85,60,00,000 (March 2023: 27,85,60,00,000) Equity shares of ₹ 1 each	2,785.60	2,785.60
		2,785.60	**2,785.60**
	Issued		
	a) 2,29,00,12,796 (March 2023: 2,28,98,12,796) Equity shares of ₹ 1 each	229.00	228.98
	b) 64,63,14,480 (March 2023: 64,63,14,480) Equity shares of ₹ 1 each issued through Global Depository Receipts	64.63	64.63
		293.63	**293.61**
	Subscribed and fully paid up		
	a) 2,29,00,12,796 (March 2023: 2,28,98,12,796) Equity shares of ₹ 1 each	229.00	228.98
	b) 64,63,14,480 (March 2023: 64,63,14,480) Equity shares of ₹ 1 each issued through Global Depository Receipts	64.63	64.63
		293.63	**293.61**
	Add: Forfeited shares (amount originally paid up in respect of 760 shares) #	0.00	0.00
		293.63	**293.61**

amount is below rounding off norms adopted by the Company.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Shares held by promoters as at March 31, 2024				
S. No	Name of the Promoter	No. of Shares	%of total shares	% Change during the year
1	Hinduja Automotive Limited (including shares held through GDRs through Citibank N A, New York)	1,34,86,28,818	45.93	-
2	Hinduja Bank (Switzerland) Ltd (held on behalf of Hinduja Automotive Limited)	14,49,04,064	4.94	-
3	Hinduja Foundries Holdings Limited	71,27,379	0.24	-
	Total	**1,50,06,60,261**	**51.11**	**-**

Shares held by promoters as at March 31, 2023				
S. No	Name of the Promoter	No. of Shares	%of total shares	% Change during the year
1	Hinduja Automotive Limited (including shares held through GDRs through Citibank N A, New York)	1,34,86,28,818	45.93	0.01
2	Hinduja Bank (Switzerland) Ltd (held on behalf of Hinduja Automotive Limited)	14,49,04,064	4.94	-
3	Hinduja Foundries Holdings Limited	71,27,379	0.24	-
	Total	**1,50,06,60,261**	**51.11**	**0.01**

Notes:

1. Reconciliation of number of equity shares subscribed

Particulars	March 2024	March 2023
Balance as at the beginning of the year	2,93,61,27,276	2,93,55,27,276
Add: Issued during the year (Refer Note 3.4)	2,00,000	6,00,000
Balance as at end of the year	2,93,63,27,276	2,93,61,27,276

2. As on March 31, 2024, there are 35,28,70,140 (March 2023: 35,29,18,140) equity shares representing the outstanding Global Depository Receipts (GDRs). The balance GDRs have been converted into equity shares.

3. Shares held by the Holding Company

Hinduja Automotive Limited, the holding company, holds 1,16,43,32,742 (March 2023: 1,16,43,32,742) Equity shares and 54,86,669 (March 2023: 54,86,669) Global Depository Receipts (GDRs) equivalent to 32,92,00,140 (March 2023: 32,92,00,140) Equity shares of ₹ 1 (March 2023: ₹ 1) each aggregating to 50.87% (March 2023: 50.87%) of the total share capital.

4. Shareholders other than the Holding Company holding more than 5% of the equity share capital

There are no shareholders holding more than 5% of the equity share capital of the Company other than the Holding Company as at March 31, 2024 and March 31, 2023.

5. Rights, preferences and restrictions in respect of equity shares and GDRs issued by the Company

a) The Equity shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by / in terms of their issue under the provisions of the Companies Act, 2013.

b) The rights, preferences and restrictions of the GDR holders are governed by the terms of their issue, and the provisions of the Companies Act, 2013. Each GDR holder is entitled to receive 60 equity shares [March 2023: 60 equity shares] of ₹ 1 each, per GDR, and their voting rights can be exercised through the Depository.

6. The Company allotted 2,00,000 (March 2023: 6,00,000) equity shares pursuant to the exercise of options under Employee Stock Option Plan Scheme. For Information relating to Employees Stock Option Plan Scheme including details of options outstanding as at March 31, 2024 - Refer Note 3.4.

		Note	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.15	**OTHER EQUITY**			
	Capital Reserve	A	263.87	263.87
	Securities Premium	B	1,915.35	1,913.70
	Capital Redemption Reserve	C	3.33	3.33
	Share Options Outstanding Account	D	39.68	37.87
	General Reserve	E	1,021.70	1,020.55
	Cash Flow Hedge Reserve	F	7.77	17.73
	Retained Earnings	G	5,265.04	4,875.14
			8,516.74	**8,132.19**

Refer "Statement of Changes in Equity" for additions / deletions in each reserve.

Notes:

A. Capital reserve represents reserve created pursuant to the business combinations.

B. Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

C. Capital redemption reserve represent the reserve arising pursuant to the business combination during 2016-17.

D. Share options outstanding account relates to stock options granted by the Company to employees under an employee stock options plan. (Refer Note 3.4)

E. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

F. Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated in this reserve are reclassified to profit or loss only when the hedged transaction affects the profit or loss.

G. For the year ended March 31, 2024, the Board of Directors has declared a interim dividend of ₹ 4.95 per equity share (final dividend for March 2023: ₹ 2.60 per equity share) which is accounted as per the provisions of the Act and will be paid out of the current year profits available for distribution. Revaluation reserve amounting to ₹ 1,210.21 crores transferred to retained earnings on transition date may not be available for distribution.

				As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.16	**NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**				
	a)	**Secured borrowings**			
		i.	Term loan from banks	778.75	1,083.75
		ii.	SIPCOT soft loan	31.18	31.18
		iii.	Non-convertible debentures	199.33	199.03
	b)	**Unsecured borrowings**			
		i.	External commercial borrowings from banks	55.97	385.86
		ii.	Interest free sales tax loans	66.41	66.41
				1,131.64	**1,766.23**

Notes:

1. These are carried at amortised cost.
2. Refer Note 1.21 for current maturities of non-current borrowings.
3. Refer Note 3.11 for security and terms of the borrowing
4. The Company has been authorised to issue 3,65,00,000 (March 2023: 3,65,00,000) Non-Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10 each valuing ₹ 36.50 crores (March 2023: ₹ 36.50 crores) and 7,70,00,000 (March 2023: 7,70,00,000) Non-Convertible Redeemable Preference Shares of ₹ 100 each valuing ₹ 770.00 crores (March 2023: ₹ 770.00 crores). No preference shares has been issued during the year.
5. Refer Note 3.6 for details on debt covenants.
6. The Company has not obtained any fresh term loans during the current and previous year.
7. The Company is not declared as a wilful defaulter by any bank or financial institution or government or any government authority.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.17	**NON-CURRENT - OTHER FINANCIAL LIABILITIES**		
	a) Capital creditors	0.93	0.99
	b) Others (includes security deposit payable, etc)	20.38	22.02
		21.31	**23.01**

Note:

These are carried at amortised cost.

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.18	**NON-CURRENT CONTRACT LIABILITIES**		
	Income received in advance (Refer Note 3.7)	283.45	250.04
		283.45	**250.04**

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.19	**NON-CURRENT PROVISIONS**		
	a) Provision for employee benefits		
	i. Compensated absences	112.90	103.83
	ii. Others including post retirement benefits	103.02	62.48
	b) Others		
	i. Product warranties	502.43	348.14
	ii. Others (including litigation matters)	5.72	4.77
		724.07	**519.22**

Notes:

1. Movement in Provision for product warranties is as follows :

Particulars	March 2024	March 2023
Opening (Current (Refer Note 1.25) and Non-current)	652.32	320.60
Add: Addition (net)	924.76	643.79
Less: Utilisations	589.35	312.07
Closing (Current (Refer Note 1.25) and Non-current)	987.73	652.32

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which ranges upto 72 months (March 31, 2023: upto 72 months).

2. Movement in Provision for others (including litigation matters) is as follows :

Particulars	March 2024	March 2023
Opening	4.77	4.04
Add: Additions	0.95	0.73
Less: Transfer / Reversal	-	-
Closing	5.72	4.77

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.20	**DEFERRED TAX LIABILITIES (NET)**		
	a) Deferred tax liabilities	693.44	922.48
	b) Deferred tax (assets)	(137.13)	(418.97)
		556.31	**503.51**

Notes:

1. Refer Note 3.1 for details of deferred tax liabilities and assets.
2. Deferred tax assets includes Unused tax credits (MAT credit entitlement) of ₹ Nil (March 2023: ₹ 174.57 crores).

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.21	**CURRENT FINANCIAL LIABILITIES - BORROWINGS**		
	Secured borrowings		
	Loans from banks	250.00	-
	Bills discounted	10.51	13.06
	Unsecured borrowings		
	Short term loans from banks	150.00	150.00
	Bills discounted	73.80	105.57
	Current maturities of long-term debts	638.58	1,145.24
		1,122.89	**1,413.87**

Notes:

1. These are carried at amortised cost.
2. Refer Note 3.12 for security and terms of the borrowings.
3. Commercial paper - maximum balance outstanding during the year is Nil (March 2023: ₹ 1,000 Crores).
4. Refer Note 3.6 for details of debt covenants.
5. The Company has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
6. Current maturities of long term debts:

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
Secured	304.69	815.60
Unsecured	333.89	329.64

7. Net debt reconciliation:

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
Cash and cash equivalents	1,941.87	454.11
Liquid investments	225.16	2,771.42
Current borrowings	(484.87)	(269.65)
Non-current borrowings	(1,777.16)	(2,961.17)
Derivative Asset / (Liability)	51.99	97.41
Lease Liability	(44.87)	(44.73)
Net debt	**(87.88)**	**47.39**

	Other assets		Liabilities from financing activities				Total
	Cash and cash equivalents	Liquid investments	Non-current borrowings	Current borrowings	Derivative Asset / (Liability)	Lease Liabilities	
Net debt as at March 31, 2022	994.25	1,298.05	(3,290.15)	(267.37)	33.92	(46.78)	(1,278.08)
Cash flows (net)	(538.69)	1,439.64	375.94	(1.76)	-	17.66	1,292.79
Foreign exchange adjustments (Realised / Unrealised)	(1.45)	-	(44.15)	(0.04)	-	-	(45.64)
Profit on sale of liquid investments (net)	-	30.05	-	-	-	-	30.05
Interest expense	-	-	(229.21)	(33.87)	-	(3.72)	(266.80)
Interest paid	-	-	226.40	33.39	-	-	259.79
Other non-cash movements							
- Fair value adjustments	-	3.68	-	-	63.49	-	67.17
- Addition / Deletion (Net) relating to lease liability	-	-	-	-	-	(11.89)	(11.89)
Net debt as at March 31, 2023	**454.11**	**2,771.42**	**(2,961.17)**	**(269.65)**	**97.41**	**(44.73)**	**47.39**
Cash flows (net)	1,487.78	(2,602.45)	1,104.98	(215.36)	-	20.02	(205.03)
Foreign exchange adjustments (Realised / Unrealised)	(0.02)	-	37.18	(0.33)	-	-	36.83
Profit on sale of liquid investments (net)	-	60.61	-	-	-	-	60.61
Interest expense	-	-	(158.35)	(45.44)	-	(3.72)	(207.51)
Interest paid	-	-	200.20	45.91	-	-	246.11
Other non-cash movements							
- Fair value adjustments	-	(4.42)	-	-	(45.42)	-	(49.84)
- Addition / Deletion (Net) relating to lease liability	-	-	-	-	-	(16.44)	(16.44)
Net debt as at March 31, 2024	**1,941.87**	**225.16**	**(1,777.16)**	**(484.87)**	**51.99**	**(44.87)**	**(87.88)**

Note:

Non-current borrowings and interest expense is gross of impact on account of effective interest rate changes.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.22 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
Trade payables - including acceptances		
a) Total outstanding dues of micro enterprises and small enterprises [Refer Note 3.14]	79.54	73.75
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	6,225.65	7,101.37
	6,305.19	**7,175.12**

Trade Payables ageing schedule ₹ **Crores**

Particulars	As at March 31, 2024 Outstanding for following periods from due date of payment						
	Un-billed (includes accrued expenses / liabilities)	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - Micro and Small Enterprises	0.22	79.00	-	0.32	-	-	79.54
(ii) Undisputed dues - Others	861.78	5,193.03	164.94	3.38	1.53	0.99	6,225.65
(iii) Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**862.00**	**5,272.03**	**164.94**	**3.70**	**1.53**	**0.99**	**6,305.19**

Particulars	As at March 31, 2023 Outstanding for following periods from due date of payment						
	Un-billed (includes accrued expenses / liabilities)	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - Micro and Small Enterprises	0.97	72.46	0.32	-	-	-	73.75
(ii) Undisputed dues - Others	912.71	5,604.13	581.02	2.04	1.21	0.26	7,101.37
(iii) Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**913.68**	**5,676.59**	**581.34**	**2.04**	**1.21**	**0.26**	**7,175.12**

Notes:
1. These are carried at amortised cost.
2. Includes acceptances amounting to ₹ 247.02 crores (March 2023: ₹ 269.73 crores)

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.23 CURRENT - OTHER FINANCIAL LIABILITIES		
a) Interest accrued but not due on borrowings	6.42	48.72
b) Dividend Payable		
i) Unpaid (Refer Note 1.15 (G) & 1.11 B)	1,453.48	-
ii) Unclaimed	10.22	10.30
c) Employee benefits	438.78	401.10
d) Capital creditors		
i) Total outstanding dues of micro enterprises and small enterprises [Refer Note 3.14]	9.27	6.17
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	57.33	61.82
e) Derivatives designated in hedging relationships carried at fair value	1.13	1.43
f) Others *	487.14	409.94
	2,463.77	**939.48**
* Includes:		
- Refund liabilities	438.30	361.66

Notes:
1. Refer Note 3.11 for security and terms of the borrowings.
2. These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss / other comprehensive income.
3. Refer Note 3.6 for details of debt covenants.

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.24	**CURRENT CONTRACT LIABILITIES**		
a)	Income received in advance	274.58	256.50
b)	Advance from customers	201.44	106.33
		476.02	**362.83**

Note:

Refer Note 3.7 for disclosures relating to revenue from contracts with customers.

			As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.25	**CURRENT PROVISIONS**			
a)	Provision for employee benefits			
	i.	Compensated absences	24.68	22.03
	ii.	Gratuity (Refer Note 3.2)	16.33	-
	iii.	Others including post retirement benefits	72.68	84.34
b)	Others			
	i.	Product warranties	485.30	304.18
	ii.	Others (including litigation matters)	51.69	108.77
			650.68	**519.32**

Notes:

1. For movement in Provision for product warranties refer note 1.19.
2. Movement in Provision for others (including litigation matters) is as follows :

Particulars	March 2024	March 2023
Opening	108.77	134.32
Add: Additions / Transfer	1.78	4.99
Less: Utilisations / Reversal	58.86	30.54
Closing	51.69	108.77

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.26	**OTHER CURRENT LIABILITIES**		
a)	Statutory liabilities	478.08	506.21
b)	Accrued gratuity (Refer Note 3.2)	-	7.70
c)	Others	0.03	0.22
		478.11	**514.13**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

			Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
2.1	**REVENUE FROM OPERATIONS**			
a)	Sale of products			
	- Commercial vehicles		32,714.70	31,646.05
	- Engines and gensets		1,006.55	633.84
	- Ferrous castings and patterns		508.77	609.33
	- Spare parts and others		3,469.41	2,577.88
		(A)	**37,699.43**	**35,467.10**
b)	Sale of services	**(B)**	1,209.86	1,106.88
c)	Other operating revenues			
	- Grant income		-	0.44
	- Export incentives		43.54	47.10
	- Scrap sales		114.04	108.56
	- Others		15.68	11.11
		(C)	**173.26**	**167.21**
		(A+B+C)	**39,082.55**	**36,741.19**
	Less: Rebates and discounts		715.52	597.05
			38,367.03	**36,144.14**

		Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
2.2	**OTHER INCOME**		
a)	Interest income from financial assets measured at amortised cost		
	i. Loans to related parties	43.21	12.72
	(Refer Note 3.8)		
	ii. Others	14.82	26.88
		58.03	**39.60**
b)	Dividend income from subsidiaries and associates - Non-current investments (Refer Note 3.8)	78.17	0.82
c)	Profit on sale of investments - net Current investments	60.61	30.05
d)	Other non-operating income		
	i. Profit on sale of Property, Plant and Equipment (net)	10.46	8.97
	ii. Net (loss) / gain arising on financial asset mandatorily measured at FVTPL	(0.02)	10.02
	iii. Others (Refer Note 3.8)	39.32	26.68
		49.76	**45.67**
		246.57	**116.14**

		Year ended March 31, 2024	Year ended March 31, 2023
		₹ Crores	₹ Crores
2.3	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**		
	Changes in inventories		
	- Finished goods and stock-in-trade	(451.19)	(540.81)
	- Work-in-progress	(59.75)	(17.68)
	Net change	**(510.94)**	**(558.49)**

		Year ended March 31, 2024	Year ended March 31, 2023
		₹ Crores	₹ Crores
2.4	**EMPLOYEE BENEFITS EXPENSE**		
	a) Salaries and wages	1,917.34	1,821.75
	b) Contribution to provident and other funds	123.31	112.61
	c) Share based payments expenses*	2.96	(0.03)
	d) Staff welfare expenses	202.50	201.40
		2,246.11	**2,135.73**
	Less: Expenses capitalised	12.73	21.87
		2,233.38	**2,113.86**
	* For share options given by the Company to employees under employee stock option plan (Refer Note 3.4).		
	Note:		
	Employee benefits expense include:		
	- CSR Expenditure (Refer Note 3.15)	0.39	0.47

		Year ended March 31, 2024	Year ended March 31, 2023
		₹ Crores	₹ Crores
2.5	**FINANCE COSTS**		
	Interest expense	192.66	266.98
	Less: Expenses capitalised	2.30	2.69
		190.36	**264.29**
	Unwinding of discount on provisions	**55.36**	**21.08**
	Interest on lease liability	3.72	3.72
		249.44	**289.09**

Note:

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year - 7.30% p.a (March 31, 2023 - 7.67% p.a).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
2.6 DEPRECIATION AND AMORTISATION EXPENSE		
A) Property, plant and equipment		
(i) Buildings	71.91	76.63
(ii) Plant and equipment	430.20	449.15
(iii) Furniture and fittings	4.87	4.78
(iv) Vehicles including electric vehicles	7.50	2.35
(v) Office equipment	19.05	18.69
(vi) Assets given on lease		
- Buildings	0.29	0.29
- Plant and equipment	#	#
- Aircraft	6.65	9.74
	540.47	**561.63**
B) Other intangible assets		
(i) Computer software		
- Developed	-	3.27
- Acquired	7.02	11.07
(ii) Technical knowhow (Includes Product Development)		
- Developed	144.10	130.63
- Acquired	8.10	8.10
	159.22	**153.07**
C) Depreciation of Right-of-use asset	18.12	17.26
	717.81	**731.96**

amount is below rounding off norms adopted by the Company.

Note:

Also Refer Notes 1.1, 1.2 and 1.1A

	Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
2.7 OTHER EXPENSES		
(a) Consumption of stores and tools	108.55	106.36
(b) Power and fuel	258.52	253.91
(c) Rent (Refer Note 3.5)	5.50	4.92
(d) Repairs and maintenance		
- Buildings	65.62	56.44
- Plant and machinery	117.00	108.62
- Others	86.38	68.75
(e) Insurance	26.23	28.07
(f) Rates and taxes, excluding taxes on income	17.77	8.60
(g) Research and development (includes materials consumed and testing charges)	110.91	135.60
(h) Service and product warranties	1,010.97	766.80
(i) Packing and forwarding charges	786.01	795.19
(j) Selling and administration expenses - net (Includes advertisement expenditure, consultancy charges, etc (Refer Note 3.13))	373.88	317.93
(k) Annual maintenance contracts	246.83	246.39
(l) Impairment loss allowance / write off on trade receivable (net)	3.42	1.66
(m) Impairment loss allowance / write off on other receivable (net)	0.85	8.16
(n) Miscellaneous including operational expenses (includes hire charges, travel expenditure etc.)	462.76	450.35
	3,681.20	**3,357.75**
Less: Expenses capitalised	66.14	107.32
	3,615.06	**3,250.43**
Note:		
Selling and administration expenses include:		
- Directors' sitting fees	1.47	1.06
- Commission to Non Whole-time Directors	6.69	4.92
- CSR Expenditure (Refer Note 3.15)	15.06	15.54

			Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
2.8	**EXCEPTIONAL ITEMS**			
	a)	Impairment (Loss) / reversal in the value of investments		
		- Gulf Ashley Motor Limited	-	(12.34)
		- Ashley Aviation Limited	(4.00)	(16.42)
		- Albonair (India) Private Limited	-	12.34
	b)	(Loss) / Gain on fair valuation of Investment in Hinduja Energy (India) Limited (Refer Note 1.3 and 3.6)	(124.99)	65.67
	c)	Obligation relating to discontinued products of LCV division (net of reversal)	53.68	14.90
	d)	Voluntary retirement scheme	(0.13)	(4.98)
	e)	Interest on receivable relating to sale of Electric Vehicle (EV) business	-	25.44
	f)	Write off of intangible assets under development	(18.28)	-
			(93.72)	**84.61**

			Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
3.1	**INCOME TAXES RELATING TO CONTINUING OPERATIONS**			
3.1.1	**Income tax recognised in profit or loss**			
	Current tax			
	In respect of the current year		1,363.78	780.00
	In respect of prior years		(78.34)	-
		(A)	**1,285.44**	**780.00**
	Deferred tax			
	In respect of the current year		1.77	(49.71)
	In respect of prior years		56.42	-
	Adjustments to deferred tax attributable to changes in tax rates and laws		(169.32)	-
		(B)	**(111.13)**	**(49.71)**
	Total income tax expense recognised in profit or loss (A + B)	**(A + B)**	**1,174.31**	**730.29**

		Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
3.1.2	**Income tax expense for the year reconciled to the accounting profit:**		
	Profit before tax	**3,792.18**	**2,110.40**
	Income tax rate	34.944%	34.944%
	Income tax expense	1,325.14	737.46
	Effect of income that is taxed at lower rate	-	0.04
	Effect of previously unrecognised and unused tax losses and deductible temporary differences	(7.03)	(10.50)
	Effect of concessions and other allowances	(32.01)	20.45
	Effect of exceptional items, disallowances and reversals (net)	79.41	(17.21)
	Effect of different tax rates of branches operating in overseas jurisdictions	0.04	0.05
	Effect of tax in respect of prior years	(21.92)	-
	Effect on account of rate changes (Refer Note below)	(169.32)	-
	Income tax expense recognised in profit or loss	**1,174.31**	**730.29**

3.1 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

		Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
3.1.3 Income tax recognised in other comprehensive income			
Deferred tax			
Arising on income and expenses recognised in other comprehensive income:			
Fair value remeasurement of hedging instruments entered into for cash flow hedges		2.63	9.54
Remeasurement of defined benefit obligation		(3.73)	(5.57)
	A	**(1.10)**	**3.97**
Arising on income and expenses reclassified from equity to profit or loss:			
Relating to cash flow hedges		(9.54)	(5.39)
	B	**(9.54)**	**(5.39)**
Total income tax recognised in other comprehensive income (A+B)		**(10.64)**	**(1.42)**

Note:

The Company is continuing to provide for income tax based on old tax regime, considering the outstanding MAT credit entitlement and various deductions available to the Company under the Income Tax Act, 1961. However, the Company has applied the lower Income tax rates as provided under section 115 BAA of the Income Tax Act, 1961 on the deferred tax assets / liabilities to the extent these are expected to be realized or settled in the future period when the Company may opt for lower tax rate and accordingly reversed net deferred tax liability of ₹ 172 crores during the year ended March 31, 2024. The effective tax rate would be at around 35%, but for this adjustment.

3.1.4 Analysis of deferred tax assets / liabilities:

₹ Crores

March 31, 2024	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Unused tax credits - (utilised)	DTL unwinding due to tax rate change	Closing balance
Deferred tax (liabilities) / assets in relation to:						
Property, Plant & Equipment and intangible assets	(911.00)	(8.21)	-	-	237.17	(682.04)
Right-of-use asset	(1.94)	(7.37)	-	-	0.54	(8.77)
Lease Liability	3.08	7.27	-	-	(0.85)	9.50
Voluntary retirement scheme compensation	19.45	(7.03)	-	-	(5.44)	6.98
Expenditure allowed upon payments	115.87	(14.65)	3.73	-	(32.41)	72.54
Unused tax credit (MAT credit entitlement)	174.57	-	-	(174.57)	-	-
Cash flow hedges	(9.54)	-	6.91	-	-	(2.63)
Other temporary differences	106.00	(28.20)	-	-	(29.69)	48.11
	(503.51)	**(58.19)**	**10.64**	**(174.57)**	**169.32**	**(556.31)**

March 31, 2023	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Unused tax credits - (utilised)	DTL unwinding due to tax rate change	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Property, Plant & Equipment and intangible assets	(950.16)	39.16	-	-	-	(911.00)
Right-of-use asset	(6.98)	5.04	-	-	-	(1.94)
Lease Liability	6.46	(3.38)	-	-	-	3.08
Voluntary retirement scheme compensation	28.11	(8.66)	-	-	-	19.45
Expenditure allowed upon payments	100.52	9.78	5.57	-	-	115.87
Unused tax credit (MAT credit entitlement)	584.85	-	-	(410.28)	-	174.57
Cash flow hedges	(5.39)	-	(4.15)	-	-	(9.54)
Other temporary differences	98.23	7.77	-	-	-	106.00
	(144.36)	**49.71**	**1.42**	**(410.28)**	**-**	**(503.51)**

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, unused tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and unused tax credits could be utilised.

3.1 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
3.1.5 Unrecognised deductible temporary differences, unused tax losses and unused tax credits		
- Unused tax losses (capital)	21.79	41.91
	21.79	**41.91**

Notes:

1 These will expire in various years upto 2026-27.

2 The above are gross amounts on which appropriate tax rates would apply.

3 The Company has not recognised deferred tax asset in respect of deductible temporary difference relating to certain investments as presently it is not probable that future taxable capital gain will be available in the foreseeable future to recover such deferred tax assets.

3.2 Employee benefit plans (Including Retirement benefit plans)

3.2.1 Defined contribution plans

Payments to defined contribution plans i.e., Company's contribution to superannuation fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

The total expense recognised in profit or loss of ₹ 30.22 crores (2022-23: ₹ 28.40 crores) represents contribution paid/ payable to these schemes by the Company at rates specified in the schemes.

3.2.2 Compensated absence and Defined benefit plans

The Company has an obligation towards gratuity as per payment of gratuity act, 1972, a defined benefit plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at the time of retirement, separation, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company makes annual contributions through trusts to a funded gratuity scheme administered by the Life Insurance Corporation of India.

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined benefit plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions are made to the provident fund and pension fund set up as irrevocable trusts by the Company. The interest rates declared and credited by trusts to the members have been higher than / equal to the statutory rate of interest declared by the Central Government.

Company's liability towards gratuity (funded), provident fund, other retirement benefits and compensated absences are actuarially determined at the end of each reporting period using the projected unit credit method as applicable.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

	As at March 31, 2024	As at March 31, 2023
3.2.3 The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Gratuity		
Discount rate	6.97%	7.18%
Expected rate of salary increase	6.00%	5.50%
Average past service	17.74	17.50
Average Longevity at retirement age - future service	10.69	10.70
Attrition rate	3.00%	3.00%
Compensated absences		
Discount rate	6.97%	7.18%
Expected rate of salary increase	6.00%	5.50%
Attrition rate	3.00%	3.00%
Other defined benefit plans		
Discount rate	6.97%	7.18%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
3.2.4 Amounts recognised in total comprehensive income in respect of these defined benefit plans and compensated absence are as follows:		
Gratuity		
Current service cost	21.46	20.52
Net interest (income)	(0.57)	(0.43)
Components of defined benefit costs recognised in profit or loss	**20.89**	**20.09**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain) / loss arising from changes in financial assumptions	21.39	-
Actuarial (gain) / loss arising from experience adjustments	(0.26)	7.89
Actuarial (gain) / loss on plan assets	(1.89)	(2.08)
Components of defined benefit costs recognised in other comprehensive income	**19.24**	**5.81**
Total	**40.13**	**25.90**
Compensated absences and other defined benefit plans		
Current service cost	19.31	17.05
Net interest expense	9.37	9.10
Actuarial (gain) / loss arising from changes in financial assumptions	6.91	0.18
Actuarial (gain) / loss arising from experience adjustments	(16.19)	(15.67)
Components of Compensated absences and defined benefit costs recognised in profit or loss	**19.40**	**10.66**

The current service cost and the net interest expense for the year are included in “Contribution to provident and other funds” and “Salaries and wages” under employee benefits expense in profit or loss (Refer Note 2.4).

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
3.2.5 The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans and compensated absence is as follows:		
Gratuity		
Present value of defined benefit obligation	473.10	433.44
Fair value of plan assets	456.77	425.74
Net liability arising from defined benefit obligation (funded)	**16.33**	**7.70**
Compensated absences and other defined benefit plans		
Present value of compensated absences and other defined benefit obligation	146.43	133.81
Fair value of plan assets	-	-
Net liability arising from Compensated absences and defined benefit obligation (unfunded)	**146.43**	**133.81**

Gratuity and Compensated absences are reflected in "Provision for employee benefits" under provisions. [Refer Notes 1.19 and1.25].

	Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
3.2.6 Movements in the present value of the defined benefit obligation and Compensated absences were as follows:		
Gratuity		
Opening defined benefit obligation	433.44	409.16
Current service cost	21.46	20.52
Interest cost	29.94	28.22
Actuarial (gain)/loss arising from changes in financial assumptions	21.39	-
Actuarial (gain)/loss arising from experience adjustments	(0.26)	7.89
Benefits paid	(32.87)	(32.35)
Closing defined benefit obligation	**473.10**	**433.44**
Compensated absences and other defined benefit plans		
Opening defined benefit obligation	133.81	130.09
Current service cost	19.31	17.05
Interest cost	9.37	9.10
Actuarial (gain)/loss arising from changes in financial assumptions	6.91	0.18
Actuarial (gain)/loss arising from experience adjustments	(16.19)	(15.67)
Benefits paid	(6.78)	(6.94)
Closing Compensated absences and defined benefit obligation	**146.43**	**133.81**

	Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
3.2.7 Movements in the fair value of the plan assets were as follows:		
Gratuity		
Opening fair value of plan assets	425.74	403.04
Interest on plan assets	30.51	28.65
Remeasurements due to Actual return on plan assets less interest on plan assets	1.89	2.08
Contributions	31.50	24.32
Benefits paid	(32.87)	(32.35)
Closing fair value of plan assets	**456.77**	**425.74**

The Company funds the cost of the gratuity expected to be earned on a yearly basis to Life Insurance Corporation of India, which manages the plan assets.

The actual return on plan assets was ₹ 32.40 crores (2022-23: ₹ 30.73 crores).

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

3.2.8 Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
Gratuity		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	17.71	13.77
increase by	12.91	14.56
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	13.29	15.03
decrease by	18.20	14.33
Compensated absences		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	5.11	4.71
increase by	5.51	5.02
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	5.29	4.82
decrease by	4.94	4.55

The sensitivity analysis presented above may not be representative of the actual change in the obligation, since the above analysis are based on change in an assumption while holding other assumptions constant. In practice, it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the obligation has been calculated using the projected unit credit method at the end of each reporting period, which is the same as that applied in calculating the liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

The Company expects to make a contribution of ₹ 55.00 crores (March 2023: ₹ 35.00 crores) to the defined benefit plans (gratuity - funded) during the next financial year.

The average duration of the benefit obligation (gratuity) is 7.1 years (March 2023: 7.2 years).

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

3.2.9 Provident Fund Trust - actuarial valuation of interest guarantee :

Ashok Leyland has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. The administered rates are determined annually predominantly considering the social rather than the economic factors and in most cases, the actual return earned by the Company has been lower in the recent past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by the Actuarial Society of India and based on the assumptions provided below.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	As at March 31, 2024	As at March 31, 2023
Provident Fund		
Discount rate	6.97%	7.18%
Remaining term to maturity of portfolio (years)	10.70	10.70
Expected guaranteed interest rate		
First year	8.25%	8.15%
Thereafter	8.25%	8.15%
Attrition rate	3.00%	3.00%

The amount included in the balance sheet arising from the Company's obligation in respect of its provident fund plan is as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
Provident Fund		
Present value of defined benefit obligation	1,589.73	1,463.01
Fair value of plan assets	1,517.64	1,382.41
Net (liability) arising from defined benefit obligation (funded)	**(72.09)**	**(80.60)**

The Net liability is reflected in "Provision for employee benefits" under provisions [Refer Notes 1.25].

The amount recognised in total comprehensive income and the movement in fair value assets and present value obligations pertaining to year ended March 31, 2024 is as follows :

Amounts recognised in total comprehensive income in respect of these provident fund are as follows:

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
Provident Fund		
Current service cost	48.79	51.08
Net interest expense	5.79	5.31
Components of provident fund recognised in profit or loss	**54.58**	**56.39**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain) / loss arising from changes in financial assumptions	0.54	-
Actuarial (gain) / loss arising from experience adjustments	7.16	10.73
Actuarial (gain) / loss on plan assets	(12.11)	(0.61)
Components of provident fund recognised in other comprehensive income	**(4.41)**	**10.12**
Total	**50.17**	**66.51**

The current service cost and the net interest expense for the year are included in "contribution to provident and other funds" and "Salaries and wages" under employee benefits expense in profit or loss (Refer Note 2.4).

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

Movements in the present value of the defined benefit obligation were as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
Opening defined benefit obligation	1,463.01	1,367.99
Adjustment relating to opening present value obligation	-	(0.07)
Employer Contribution	48.79	46.31
Employee Contribution	148.09	131.40
Value of Interest Rate Guarantee	-	4.77
Interest cost	105.53	97.57
Actuarial (gain) / loss arising from changes in financial assumptions	0.54	-
Actuarial (gain) / loss arising from experience adjustments	7.16	10.73
Benefits paid	(183.39)	(195.69)
Closing defined benefit obligation	**1,589.73**	**1,463.01**

Movements in the fair value of the plan assets were as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
Provident Fund		
Opening fair value of plan assets	1,382.41	1,293.88
Interest on plan assets	99.74	92.26
Actuarial gain / (loss) on plan assets	12.11	0.61
Contributions	206.77	191.35
Benefits paid	(183.39)	(195.69)
Closing fair value of plan assets	**1,517.64**	**1,382.41**

The Company funds the contribution to administered trusts, which manages the plan assets in accordance with provident fund norms.

The breakup of the plan assets into various categories is as follows:

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
Central and State Government Securities including Public Sector Undertaking securities	79%	75%
Corporate Bonds	15%	19%
Mutual Funds	1%	1%
Special Deposit Scheme	5%	5%

Significant actuarial assumptions for the determination of the provident fund are discount rate and interest rate guarantee. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
If the discount rate is 50 basis points higher/lower, the defined benefit obligation would:		
decrease by	1.28	1.22
increase by	1.33	1.26

The Company is sensitive to Interest rate guarantee wherein any increase or decrease in the interest rate by 25 basis points results in an increase in present value obligation by 0.24% (March 2023: 0.2%) or decrease in present value obligation by 2.92% (March 2023: 3%.)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation, since the above analysis are based on change in an assumption while holding other assumptions constant. In practice, it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

		Year ended March 31, 2024	Year ended March 31, 2023
		₹	₹
3.3	**Earnings per share**		
	Basic earnings per share	8.92	4.70
	Diluted earnings per share	8.90	4.70
	Face value per share	1.00	1.00

		Year ended March 31, 2024	Year ended March 31, 2023
		₹ Crores	₹ Crores
3.3.1	**Basic earnings per share**		
	Profit for the year attributable to equity shareholders	2,617.87	1,380.11

		Year ended March 31, 2024	Year ended March 31, 2023
		Nos.	Nos.
	Weighted average number of equity shares used in the calculation of basic earnings per share	2,93,61,45,309	2,93,58,16,591

		Year ended March 31, 2024	Year ended March 31, 2023
		₹ Crores	₹ Crores
3.3.2	**Diluted earnings per share**		
	The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:		
	Profit for the year attributable to equity shareholders	2,617.87	1,380.11

	Year ended March 31, 2024	Year ended March 31, 2023
	Nos.	Nos.
Weighted average number of equity shares used in the calculation of basic earnings per share	2,93,61,45,309	2,93,58,16,591
Adjustments :		
Dilutive effect - Number of shares relating to employee stock options	42,03,315	31,59,351
Weighted average number of equity shares used in the calculation of diluted earnings per share	**2,94,03,48,624**	**2,93,89,75,942**

3.4 Share based payments

3.4.1 Details of employees stock option plan of the Company

The Company has Employees Stock Options Plan (ESOP) scheme granted to employees which has been approved by the shareholders of the Company. In accordance with the terms of the plan, eligible employees may be granted options to purchase equity shares of the Company if they are in service on exercise of the grant. Each employee share option converts into one equity share of the Company on exercise at the exercise price as per the scheme. The options carry neither rights to dividend nor voting rights. Options can be exercised at any time from the date of vesting to the date of their expiry.

The following share based payment arrangements were in existence during the current or prior year:

Option series	Number	Grant date	Expiry date	Exercise price ₹	Fair value at grant date ₹
ESOP 3 (Refer Note below)	20,00,000	July 19, 2017	July 19, 2027	83.50	57.42
ESOP 5 (Refer Note below)	1,31,00,000	March 20, 2019	March 20, 2030	91.40	40.19

A portion of ESOP 3 and a portion of ESOP 5 were forfeited during the year ended March 31, 2023.

Note:

Under ESOP 3 and ESOP 5 shares vest on varying dates within the expiry date mentioned above with an option life of 5 years after vesting.

3.4.2 Fair value of share options granted during the year

There are no options granted during the year. The weighted average fair value of the stock options granted during the financial year is ₹ Nil (2022-23: ₹ Nil). Options granted in the earlier years were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on Management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is based on the historical share price volatility.

3.4.3 Movements in share options during the year

	Year ended March 31, 2024 Numbers	Weighted average exercise price ₹	Year ended March 31, 2023 Numbers	Weighted average exercise price ₹
Opening at the beginning of the year	96,35,000	90.74	1,27,70,000	90.41
Granted during the year	-	-	-	-
Forfeited/lapsed during the year	-	90.78	25,35,000	90.78
Exercised during the year	2,00,000	83.50	6,00,000	83.50
Balance at the end of the year	94,35,000	90.90	96,35,000	90.74

Weighted Average share price on date of exercise of option ₹ 169.40 (2023: ₹ 156.50)

3.4.4 Share options vested but not exercised during the year

Nil (Year ended March 31, 2023: ESOP 3: 2,00,000 options, ESOP 5: 44,17,500 options)

3.4.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 90.90 (as at March 31, 2023: ₹ 90.74) and a weighted average remaining contractual life of 4.81 years (as at March 31, 2023: 5.71 years).

3.5 Lease arrangements

Company as lessee

Company has applied following practical expedients for the purpose of lease on initial recognition :

1) Single discount rate has been applied for leases with same characteristics.
2) Non - lease component which are difficult to be separated from the lease components are taken as the part of lease calculation.
3) Short term leases i.e. leases having lease term of 12 months or less had been ignored for the purpose of calculation of right-of-use asset.

Expenses for the year ended March 31, 2024 includes lease expense classified as Short term lease expenses aggregating to Rs.19.28 crores (March 31, 2023: Rs.15.54 crores) and variable lease payments aggregating to Rs. 70.10 crores (March 31, 2023: Rs. 63.55 crores) which are not required to be recognised as part of the practical expedient under Ind AS 116 'Leases' mentioned above.The total cash outflow for leases for the year ended March 31, 2024 is Rs.109.40 crores (March 31, 2023 Rs.96.75 crores).

3.6 Financial Instruments

3.6.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual master planning and budgeting and corporate plan for working capital, capital outlay and long-term product and strategic involvements. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
Debt (long-term and short-term borrowings and lease liabilities net off effective interest rate adjustment)	2,299.40	3,224.83
Total Equity	8,810.37	8,425.80
Debt equity ratio	0.26	0.38

The quarterly returns or statements of current assets filed by the Company with Banks and Financial Institutions are in agreement with the books of accounts.

The Company has complied with all covenants given under the borrowings facilities except for one covenant relating to a facility which has no implication other than payment of a one-time charge.

3.6.2 Financial risk management

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

The Company uses derivative financial instruments to hedge risk exposures in accordance with the Company's policies as approved by the board of directors.

(A) Market risk

Market risk represent changes in market prices, liquidity and other factors that could have an adverse effect on realisable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

(1) Foreign currency risk management:

The Company undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Company actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through a centralised treasury division and uses derivative instruments such as foreign currency forward contracts and currency swaps to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by Management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2024 (all amounts are in equivalent ₹ in Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	444.21	319.83	124.38	525.58	468.23	57.35	(67.03)
EUR	4.08	2.19	1.89	1.41	-	1.41	(0.48)
GBP	0.14	-	0.14	1.74	-	1.74	1.60
JPY	1.21	0.82	0.39	-	-	-	(0.39)
SGD	114.46	114.46	-	-	-	-	-
AED	0.87	-	0.87	53.72	-	53.72	52.85
Others	3.04	-	3.04	10.58	-	10.58	7.54

3.6 Financial Instruments (Contd.)

As on March 31, 2023 (all amounts are in equivalent ₹ in Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	770.57	641.23	129.34	393.50	359.48	34.02	(95.32)
EUR	11.95	6.63	5.32	1.74	-	1.74	(3.58)
GBP	0.07	-	0.07	0.85	-	0.85	0.78
JPY	1.17	0.32	0.85	-	-	-	(0.85)
SGD	172.21	172.21	-	-	-	-	-
AED	0.53	-	0.53	51.60	-	51.60	51.07
Others	6.52	-	6.52	2.81	-	2.81	(3.71)

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's export proceeds, import payments and cost of borrowings.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on the other components of equity arises from foreign currency forward contracts designated as cash flow hedges. The following table details the Company's sensitivity movement in the increase / decrease in foreign currencies exposures (net):

₹ Crores

	USD impact	
	March 31, 2024	March 31, 2023
Profit or loss	1.34	1.91
Equity	1.34	1.91

	EUR impact	
	March 31, 2024	March 31, 2023
Profit or loss	0.01	0.07
Equity	0.01	0.07

	GBP impact	
	March 31, 2024	March 31, 2023
Profit or loss	0.03	0.02
Equity	0.03	0.02

	JPY impact	
	March 31, 2024	March 31, 2023
Profit or loss	0.01	0.02
Equity	0.01	0.02

	AED impact	
	March 31, 2024	March 31, 2023
Profit or loss	1.06	1.02
Equity	1.06	1.02

	Impact of other currencies	
	March 31, 2024	March 31, 2023
Profit or loss	0.15	0.07
Equity	0.15	0.07

3.6 Financial Instruments (Contd.)

The following table details the foreign currency forward contracts outstanding at the end of the reporting period:

Figures in Crores

March 31, 2024	Foreign currency		Notional value in ₹	Fair value assets / (liabilities) in ₹ (Refer Note)	Maturity date	Hedge ratio	Weighted Average rate
Cash flow hedges:							
Sell USD - Buy INR	USD	0.56	47.03	(0.04)	April 2024 - May 2024	1 : 1	USD 1 : INR 83.45
Buy USD - Sell INR	USD	0.56	46.97	0.03	April 2024 - May 2024	1 : 1	USD 1 : INR 83.45
Fair value hedges:							
Buy USD - Sell INR	USD	0.49	41.20	0.04	April 2024 - May 2024	1 : 1	USD 1 : INR 83.44
Sell USD - Buy INR	USD	5.61	468.23	(1.09)	April 2024 - June 2024	1 : 1	USD 1 : INR 83.26
Buy EUR - Sell INR	EUR	0.02	2.19	#	April 2024 - May 2024	1 : 1	EUR 1 : INR 90.30
Buy JPY - Sell INR	JPY	1.50	0.82	#	May 2024	1 : 1	JPY 1 : INR 0.56

Figures in Crores

March 31, 2023	Foreign currency		Notional value in ₹	Fair value assets / (liabilities) in ₹ (Refer Note)	Maturity date	Hedge ratio	Weighted Average rate
Cash flow hedges:							
Sell USD - Buy INR	USD	1.01	82.85	0.52	April 2023 - June 2023	1 : 1	USD 1 : INR 82.88
Buy USD - Sell INR	USD	1.01	82.86	(0.62)	April 2023 - June 2023	1 : 1	USD 1 : INR 82.98
Buy JPY - Sell INR	JPY	0.68	0.42	#	April 2023	1 : 1	JPY 1 : INR 0.62
Fair value hedges:							
Buy USD - Sell INR	USD	1.12	92.12	(0.62)	April 2023 - June 2023	1 : 1	USD 1 : INR 82.92
Sell USD - Buy INR	USD	4.37	359.48	1.12	April 2023 - June 2023	1 : 1	USD 1 : INR 82.63
Buy EUR - Sell INR	EUR	0.07	6.63	0.08	May 2023	1 : 1	EUR 1 : INR 89.02
Buy JPY - Sell INR	JPY	0.51	0.32	#	April 2023 - May 2023	1 : 1	JPY 1 : INR 0.62

Note:

Included in the balance sheet under 'Current - other financial assets' and 'Current - other financial liabilities' [Refer Notes 1.12A and 1.23].

amount is below rounding off norms adopted by the Company.

(2) Interest rate risk management:

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates vice versa using interest rate swap contracts.

The exposure of company's borrowings to interest rate changes at the end of the reporting period are as follows:

	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
Variable rate Borrowings	358.75	612.50
Fixed rate Borrowings *	1,830.45	2,503.19
	2,189.20	**3,115.69**

* includes variable rate borrowings amounting to ₹ 389.95 crores (March 31, 2023: ₹ 715.88 crores) subsequently converted to fixed rate borrowings through swap contracts.

3.6 Financial Instruments (Contd.)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/ lower, the Company's profit / loss for the year ended March 31, 2024 would decrease / increase by ₹ 0.45 crores (March 31, 2023 decrease / increase by ₹ 0.77 crores). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

(3) Foreign currency and interest rate sensitivity analysis for swap contracts:

The Company has taken foreign currency and interest rate swap (FCIRS) contracts for hedging its foreign currency and interest rate risks related to certain external commercial borrowings. The mark-to-market gain / (loss) as at March 31, 2024 is ₹ 53.04 crores (March 31, 2023: ₹ 96.93 crores). If the foreign currency movement is 2% higher / lower and interest rate movement is 200 basis points higher / lower with all other variables remaining constant, the Company's profit / loss for the year ended March 31, 2024 would approximately decrease/ increase by ₹ Nil (year ended March 31, 2023: decrease / increase by ₹ Nil).

(4) Equity price risk:

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. The fair value of some of the Company's investments exposes the Company to equity price risks. In general, these securities are not held for trading purposes.

(B) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company is exposed to credit risk from trade receivables, bank balances, inter-company loans, financial guarantees and other financial assets.

<u>Credit risk on Trade receivables:</u>

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee cover is taken. The Company operates predominantly on cash and carry basis excepting sale to State Transport Undertaking (STU), Government project customers based on tender terms and certain export / domestic customers which are on credit basis. The average credit period is in the range of 7 days to 90 days. However, in select cases, credit is extended which is backed by Security deposit/ Bank guarantee/ Letter of credit and other forms. The Company creates specific provisions for disputes and the expected credit losses for such receivables are insignificant.

The Company makes a loss allowance using simplified approach for expected credit loss (ECL) and on a case to case basis. ECL are the weighted average of credit losses with the expected risk of default occurring as the weights (historically not significant). ECL is difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. The ageing on trade receivable is given in Note 1.10.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings. The credit risk on intercompany loans, financial guarantees and other financial assets are evaluated to be immaterial.

The Company's trade and other receivables consists of a large number of customers, across geographies, hence the Company is not exposed to concentration risk except in case of a STU.

(C) Liquidity risk

Liquidity risk refers to the risk that the Company cannot 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 requirements. The Company has obtained fund and non-fund based working capital limits from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures, and other debt instruments. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark-to-market risks.

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
From Banks		
- Secured	1,739.49	1,986.95
- Unsecured	784.82	503.09
Total	**2,524.31**	**2,490.04**

Further to the above, the Company has an option to issue commercial paper for an amount of ₹ 2,000 crores (March 31, 2023: ₹ 2,000 crores). The Company also constantly monitors funding options available in the debt and capital markets with a view to maintain financial flexibility.

3.6 Financial Instruments (Contd.)

The table below summarises the maturity profile remaining contractual maturity period at the balance sheet date for its non-derivative financial liabilities based on the undiscounted cash flows.

₹ Crores

March 31, 2024	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	6,305.19	-	-	6,305.19
Other financial liabilities	2,456.22	21.31	-	2,477.53
Borrowings	1,234.46	1,252.74	-	2,487.20
Lease liabilities	19.20	26.97	26.39	72.56
	10,015.07	**1,301.02**	**26.39**	**11,342.48**

₹ Crores

March 31, 2023	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	7,175.12	-	-	7,175.12
Other financial liabilities	889.33	23.01	-	912.34
Borrowings	1,612.99	1,905.55	86.41	3,604.95
Lease liabilities	16.57	28.84	26.94	72.35
	9,694.01	**1,957.40**	**113.35**	**11,764.76**

As there is immaterial expected credit loss on the financial guarantees given to group companies, the Company has not recognised a liability towards financial guarantee as at the end of the reporting period. Accordingly, not included in the above table. (Refer Note 3.8(g)(iv) for details of financial guarantees availed by the group companies as at March 31, 2024 and March 31, 2023).

The table below summarises the maturity profile for its derivative financial liabilities based on the undiscounted contractual net cash inflows and outflows on derivative liabilities that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

₹ Crores

March 31, 2024	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Foreign exchange forward contracts	1.13	-	1.13
	1.13	**-**	**1.13**

₹ Crores

March 31, 2023	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Foreign exchange forward contracts	1.43	-	1.43
	1.43	**-**	**1.43**

3.6 Financial Instruments (Contd.)

3.6.3 Categories of Financial assets and liabilites:

₹ Crores

	As at March 31, 2024	As at March 31, 2023
Financial assets		
Investments (net of impairment) measured at cost	5,019.14	3,456.12
a. Measured at amortised cost:		
Cash and cash equivalents	1,941.87	454.11
Other bank balances	1,496.31	47.18
Trade Receivables (net of allowance)	3,569.90	4,062.71
Loans	95.00	-
Others (net of allowance)	253.62	579.90
b. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):		
Investments	540.63	3,207.48
Derivatives designated in hedge accounting relationships	53.12	98.84
Financial liabilities		
a. Measured at amortised cost:		
Borrowings	2,254.53	3,180.10
Trade Payables	6,305.19	7,175.12
Other financial liabilities	2,483.95	961.06
b. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):		
Derivatives designated in hedge accounting relationships	1.13	1.43

3.6.4 Fair value measurements:

(A) Financial assets and liabilities that are not measured at fair values but in respect of which fair values are as follows:

The carrying amounts of current financial assets and liabilites are considered to be the same as their fair values, due to their short-term nature. Difference between fair value of non-current financial instruments carried at amortised cost and their carrying value is not considered to be material to the financials statements. The fair values for loans, security deposits are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(B) Financial assets and financial liabilities that are measured at fair value on a recurring basis as at the end of each reporting period:

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values for material financial assets and material financial liabilities have been determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2024	March 31, 2023		
Derivative instruments, i.e. forward foreign currency contracts, currency and interest rate swaps	Assets – ₹ 53.12 crores; and Liabilities – ₹ 1.13 crores	Assets – ₹ 98.84 crores; and Liabilities – ₹ 1.43 crores	Level 2	Discounted future cash flows which are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of the Company/ various counterparties. Further, in case of swap contracts, the future estimated cash flows also consider forward interest rates (from observable yield curves at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of the Company/ various counterparties.

3.6 Financial Instruments (Contd.)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
	March 31, 2024	March 31, 2023				
Investments in mutual funds	₹ 225.16 crores	₹ 2771.42 crores	Level 1	Net assets value in an active market	Not applicable	Not applicable
Investments in unquoted preference shares	Preference shares of: Switch Mobility Automotive Limited - ₹ 164.88 crores (Refer Note 1.3) Hinduja Tech Limited - ₹ 23.90 crores (Refer Note 1.9) Ashok Leyland (UAE) LLC ₹ 44.60 crores (Refer Note 1.3) Others - ₹ 7.27 crores (Refer Note 1.3)	Preference shares of: Switch Mobility Automotive Limited - ₹ 171.40 crores (Refer Note 1.3) Hinduja Tech Limited - ₹ 15.40 crores Ashok Leyland (UAE) LLC ₹ 42.89 crores Others - ₹ 6.93 crores (Refer Note 1.3)	Level 3	Income approach – in this approach, the discounted cash flow method used to capture the present value of the expected future economic benefits to be derived from the ownership of these preference shares	The significant inputs were: a) the estimated cash flows from the dividends on these preference shares and the redemption proceeds on maturity; and b) the discount rate to compute the present value of the future expected cash flows	A slight decrease in the estimated cash inflows in isolation would result in a significant decrease in the fair value. (Note 2)
Investments in unquoted equity shares & Investment in special limited partnership	Equity shares of: Hinduja Energy (India) Limited - ₹22.01 crores (Refer Note 1.3) Others - ₹52.81 crores (Refer Note 1.3)	Equity shares of: Hinduja Energy (India) Limited - ₹147.00 crores (Refer Note 1.3) Others - ₹52.44 crores (Refer Note 1.3)	Level 3	Income approach and Net Asset Value (Realisable value) approach – in these approaches, the cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these equity instruments	The significant inputs were: a) the estimated cash flows; and b) the discount rate to compute the present value of the future expected cash flows	A slight decrease in the estimated cash inflows in isolation would result in a significant decrease in the fair value. (Note 3 and 4)

Notes:

1) There were no transfers between Level 1, 2 and 3 during the year.

2) Other things remaining constant, a 5% increase/ decrease in the WACC or discount rate used would decrease/ increase the fair value of the unquoted preference shares by ₹ 72.39 crores / ₹ 137.28 crores (as at March 31, 2023: ₹ 83.66 crores / ₹ 165.18 crores).

3) Other things remaining constant, a 50 basis points increase / decrease in the WACC or discount rate used would decrease / increase the fair value of the unquoted equity instruments by ₹ 22.01 crores / ₹ 27.09 crores (as at March 31, 2023: ₹ 14.98 crores / ₹ 14.37 crores).

4) Other things remaining constant, a 5% increase/ decrease in the revenue would increase/ decrease the fair value of the unquoted equity instruments by ₹ 63.53 crores / ₹ 22.01 crores (as at March 31, 2023: ₹ 48.61 crores / ₹ 49.59 crores).

5) Gain / loss recognised in profit or loss included in other income (Refer Note 2.2) arising from fair value measurement of Level 3 financial assets is a gain of ₹ 4.41 crores (as at March 31, 2023: gain of ₹ 6.34 crores). The Company has also recorded a fair value loss of ₹ 124.99 crores (March 31, 2023: gain of ₹ 65.67 crores) in equity investment of Hinduja Energy (India) Limited and presented the same under exceptional items in Note 2.8.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.7 Revenue from contracts with customers:

3.7.1 Disaggregated revenue information

Particulars	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
Type of goods and services		
a) Sale of products		
- Commercial vehicles	32,714.70	31,646.05
- Engines and gensets	1,006.55	633.84
- Ferrous castings and patterns	508.77	609.33
- Spare parts and others	3,469.41	2,577.88
	37,699.43	**35,467.10**
b) Sale of services		
- Freight and related services	566.38	570.15
- Annual Maintenance Contracts	284.74	253.26
- Warranty services	69.63	128.77
- Others	289.11	154.70
	1,209.86	**1,106.88**
c) Other operating revenues		
- Scrap sales	114.04	108.56
- Others	15.68	11.11
	129.72	**119.67**
Less: Rebates and discounts	715.52	597.05
Total revenue from contracts with customers	**38,323.49**	**36,096.60**
India	36,608.91	34,230.04
Outside India	1,714.58	1,866.56
Total revenue from contracts with customers	**38,323.49**	**36,096.60**

₹ Crores

Timing of revenue recognition	March 31, 2024		March 31, 2023	
Particulars	At a point in time	Over a period of time	At a point in time	Over a period of time
- Sale of products and other operating revenue	37,813.47	-	35,575.66	-
- Sale of Services - Freight and related services	-	566.38	-	570.15
- Sale of Services - Annual Maintenance Contracts, warranty services and others	109.99	549.17	75.32	472.52
Less: Rebates and discounts	715.52	-	597.05	-
Total revenue from contracts with customers	**37,207.94**	**1,115.55**	**35,053.93**	**1,042.67**

3.7 Revenue from contracts with customers: (Contd.)

3.7.2 Contract balances

Particulars	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
Trade receivables (Refer Notes 1.4 & 1.10)	3,569.90	4,062.71
Contract liabilities (Refer Notes 1.18 & 1.24)	759.47	612.87

Trade receivables are non - interest bearing and are generally on terms of 7 to 90 days (Refer Credit risk Note 3.6.2 (B)).

Contract liabilities includes advance received from customers and income received in advance arising due to allocation of transaction price towards maintenance contracts, freight on shipments not yet delivered to customer and unexpired service warranties. There is no significant change in contract liabilities.

3.7.3 Revenue recognised in relation to contract liabilities

	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
Revenue recognised from contract liabilities at the beginning of the year	350.05	407.07
Revenue recognised from performance obligations satisfied in previous years	-	5.22

3.7.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
Contracted price	39,039.01	36,693.65
Adjustments		
Rebates and discounts	(715.52)	(597.05)
Revenue from contract with customers	**38,323.49**	**36,096.60**

3.7.5 Unsatisfied or partially unsatisfied performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

Particulars	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
Within one year	603.53	425.14
More than one year	300.16	256.24
	903.69	**681.38**

The remaining performance obligations expected to be recognised in more than one year relate to the extended warranty and other obligation which is expected to be recognised over a period of 24 months to 72 months. The Company applies practical expedient of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of less than a year.

3.8 Related party disclosure

a) List of parties where control exists

Holding company

Hinduja Automotive Limited, United Kingdom
Machen Holdings SA
(Holding Company of Hinduja Automotive Limited, United Kingdom)
Machen Development Corporation, Panama
(Holding Company of Machen Holdings SA)
Amas Holdings SPF*
(Holding Company of Machen Development Corporation, Panama)

Subsidiaries

Albonair (India) Private Limited
Albonair GmbH, Germany
- Albonair (Taicang) Automotive Technology Co. Limited., China

Ashok Leyland (Nigeria) Limited
Gulf Ashley Motor Limited
OHM Global Mobility Private Limited .... From September 1, 2023
Optare Plc, UK
- Optare UK Limited.
- Switch Mobility Limited, UK (Formerly Optare Group Limited)
    - OHM Global Mobility Limited .... Liquidated on September 16, 2022
    - Switch Mobility Automotive Limited
    - Switch Mobility Europe S.I, Spain
    - OHM International Mobility Limited, United Kingdom .... From August 24, 2022
    - OHM Global Mobility Private Limited .... From August 24, 2022, upto August 31, 2023
- Optare Australia PTY LTD .... Deregistered on April 10, 2023

Ashok Leyland (Chile) S.A.
Hinduja Leyland Finance Limited
- Hinduja Housing Finance Limited
- Hinduja Insurance Broking and Advisory Services Limited .... Liquidated on June 21, 2023
- Gaadi Mandi Digital Platforms Limited

HLF Services Limited
Global TVS Bus Body Builders Limited
Ashok Leyland (UAE) LLC
- LLC Ashok Leyland Russia
- Ashok Leyland West Africa SA

Ashley Aviation Limited
Hinduja Tech Limited
- Hinduja Tech (Shanghai) Co., Limited
- Hinduja Tech GmbH, Germany
- Hinduja Tech Inc, United States of America
    - Drive System Design Inc, USA .... From November 30, 2022
- Hinduja Tech Canada Inc, Canada
- Hinduja Tech Limited, UK .... From May 26, 2022
    - Drive System Design Limited, UK .... From November 30, 2022
        - Drive System Design SRO, Chez .... From November 30, 2022

Vishwa Buses and Coaches Limited

3.8 Related party disclosure (Contd.)

b) Other related parties

Fellow subsidiaries

Gulf Oil Lubricants India Limited
DA Stuart India Private Limited
Hinduja Renewables Private Limited
Prathama Solarconnect Energy Private Limited
OHM International Mobility Limited, United Kingdom .... From August 02, 2021, Upto August 23, 2022
OHM Global Mobility Private Limited .... From March 08, 2021, Upto August 23, 2022
GOCL Corporation Limited
HR Vaigai Private Limited

Associates

Ashok Leyland Defence Systems Limited
Lanka Ashok Leyland Plc
Mangalam Retail Services Limited

Joint Ventures

Ashley Alteams India Limited
Gro Digital Platforms Limited
Ashok Leyland John Deere Construction Equipment Company Private Limited [Along with Gulf Ashley Motor Limited] (under liquidation)
Zebeyond Limited, UK .... From December 21, 2022
TVS Trucks and Buses Private Limited .... From February 23, 2024

Entities where control exist

Ashok Leyland Educational Trust

Employee Trust

Ashok Leyland Employees Gratuity Fund
Ashok Leyland Superannuation Fund
Ashok Leyland Employees Ennore Provident Fund Trust
Ashok Leyland Senior Executives Provident Fund Trust
Ashok Leyland Employees Hosur Provident Fund Trust
Ashok Leyland Employees Bhandara Provident Fund Trust
Ashok Leyland Employees Alwar Provident Fund Trust
Ennore Foundries Limited Employees Provident Fund
Ennore Foundries Gratuity Fund
Ennore Foundries Employees Pension cum Insurance Fund
Ennore Foundries Senior Executives Superannuation Fund

Key management personnel

Mr. Dheeraj G Hinduja, Executive Chairman
Mr. Shenu Agarwal, Managing Director and CEO .... From December 8, 2022
Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer
Prof. Dr. Andreas H Biagosch
Dr. Andrew C Palmer .... Upto November 3, 2022
Mr. Jean Brunol
Mr. Jose Maria Alapont
Ms. Manisha Girotra
Mr. Sanjay K Asher
Mr. Shom Ashok Hinduja
Mr. Saugata Gupta
Dr. C B Rao

Note:

Transaction with Rajalakshmi Wind Energy Limited (erstwhile Ashok Leyland Wind Energy Limited) and Prathama Solarconnect Energy Private Limited have not been disclosed as being with an associate since the Company does not have significant influence over Rajalakshmi Wind Energy Limited and Prathama Solarconnect Energy Private Limited, although the Company holds 26% of the equity share capital of Rajalakshmi Wind Energy Limited and Prathama Solarconnect Energy Private Limited respectively.

* The Company has intimated Ocorian Trust (Isle Of Man) Limited as significant beneficial owner pursuant to the Companies (Significant Beneficial Owners) Rules, 2018.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.8 Related party disclosure (Contd.)

c) Related Party Transactions - summary

₹ Crores

		Subsidiaries		Fellow Subsidiaries		Associates		Joint Ventures		Holding Company		Entities where control exist		Employee Trust		Key Management Personnel		Total	
	Transactions during the year ended March 31	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
1	Purchase of raw materials, components and traded goods (net of GST)	1,313.88	1,169.62	168.98	173.96	48.97	1.64	219.23	178.38	-	-	-	-	-	-	-	-	1,751.06	1,523.60
2	Sales and services (net of GST)	1,017.11	845.97	80.85	53.50	153.51	42.35	0.47	0.60	-	-	-	0.88	-	-	-	-	1,251.94	943.30
3	Other operating Income	-	-	-	-	-	-	1.86	2.18	-	-	-	-	-	-	-	-	1.86	2.18
4	Other expenditure incurred / (recovered) (net)	42.55	36.34	48.93	49.06	(1.36)	6.17	15.62	11.00	0.51	1.51	(0.78)	(0.85)	-	-	0.34	-	105.81	103.23
5	Interest and other income	65.17	26.97	-	-	1.30	0.85	0.29	0.20	-	-	-	-	-	-	-	-	66.76	28.02
6	Purchase of assets	49.83	0.12	-	-	-	-	-	5.05	-	-	-	-	-	-	-	-	49.83	5.17
7	Sale of asset	0.02	1.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02	1.90
8	Dividend payments	-	-	-	-	-	-	-	-	388.32	149.35	-	-	-	-	-	-	388.32	149.35
9	Dividend Income	78.05	-	-	-	0.12	0.82	-	-	-	-	-	-	-	-	-	-	78.17	0.82
10	Remuneration to key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41.90	35.75	41.90	35.75
11	Commission and sitting fees to key management personnel *	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.16	5.98	8.16	5.98
12	Financial guarantees issued	327.83	463.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	327.83	463.39
13	Financial guarantees released	281.36	-	-	-	-	-	3.63	3.13	-	-	-	-	-	-	-	-	284.99	3.13
14	Investments in shares of	1,506.71	19.82	-	#	20.36	-	39.95	-	-	-	-	-	-	-	-	-	1,567.02	19.82
15	Inter-corporate deposits given	-	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200.00
16	Inter-corporate deposits repaid	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200.00	-
17	Loan Given	500.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500.00	-
18	Loan Repaid	405.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	405.00	-
19	Consideration towards sale of Electric vehicle business including interest thereon	-	25.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.44
20	Conversion of receivable on slump sale into preference shares	-	301.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	301.00
21	Contribution to employee related trusts made during the year including loans and interest recovered	-	-	-	-	-	-	-	-	-	-	-	-	228.35	211.88	-	-	228.35	211.88

amount is below rounding off norms adopted by the Company.

* includes commission and sitting fees to other directors aggregating to ₹ 8.16 crores (2023 : ₹ 5.98 crores)

All the transactions are at arms length in line with the related party transactions policy of the Company

3.8 Related party disclosure (Contd.)

d) Related Party balances - summary

₹ Crores

		Subsidiaries		Fellow Subsidiaries		Associates		Joint Ventures		Holding Company		Entities where control exist		Employee Trust		Key Management Personnel		Total	
	Balances as on March 31	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
1	Trade receivables (Refer Note 1.4 and 1.10)	264.39	217.05	24.91	19.25	77.80	22.86	0.80	0.13	-	-	0.63	1.09	-	-	-	-	368.53	260.38
2	Loans (Refer Note 1.12)	95.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95.00	-
3	Other financial and non-financial assets (Refer Note 1.7 and 1.12A)	5.49	200.85	-	-	-	-	1.83	-	-	-	-	-	-	-	-	-	7.32	200.85
4	Trade and other payables	213.25	228.49	34.94	35.81	25.83	8.21	32.89	19.90	0.08	0.07	-	-	27.68	18.52	26.03	23.83	360.70	334.83
5	Financial guarantees	758.91	885.84	-	-	-	-	3.25	6.88	-	-	-	-	-	-	-	-	762.16	892.72

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.8 Related party disclosure (Contd.)

e) Significant Related Party Transactions

₹ Crores

	Transactions during the year ended March 31	2024	2023
1	**Purchase of raw materials, components and traded goods (net of GST)**		
	Ashley Alteams India Limited	151.04	130.61
	Gulf Oil Lubricants India Limited	156.01	161.39
	Global TVS Bus Body Builders Limited	117.59	86.52
	Albonair (India) Private Limited	930.38	974.44
	Vishwa Buses and Coaches Limited	232.08	74.81
2	**Sales and services (net of GST)**		
	Gulf Ashley Motor Limited	239.14	205.33
	Ashok Leyland (UAE) LLC	734.98	513.40
	Lanka Ashok Leyland Plc	87.73	23.01
	Switch Mobility Automotive Limited	11.26	112.61
	Gulf Oil Lubricants India Limited	80.85	53.33
3	**Other Operating Income**		
	Ashley Alteams India Limited	1.86	2.18
4	**Other expenditure incurred / (recovered) (net)**		
	Hinduja Automotive Limited, United Kingdom	0.51	1.51
	Gulf Ashley Motor Limited	5.99	2.43
	HLF Services Limited	13.50	10.01
	Ashok Leyland Defence Systems Limited	(1.47)	(1.47)
	Hinduja Tech Limited	37.72	28.79
	Lanka Ashok Leyland Plc	0.11	7.64
	Albonair GmbH, Germany	-	2.21
	Ashok Leyland (UAE) LLC	(0.34)	(0.99)
	Hinduja Renewables Private Limited	7.47	7.42
	Gro Digital Platforms Limited	15.66	11.04
	Prathama Solarconnect Energy Private Limited	40.98	41.45
	Switch Mobility Automotive Limited	(9.70)	(4.73)
	Albonair (India) Private Limited	(4.83)	(2.77)
5	**Interest and other income**		
	Ashok Leyland Defence Systems Limited	1.30	0.85
	Albonair (India) Private Limited	0.63	0.51
	Ashley Aviation Limited	2.26	2.26
	Switch Mobility Automotive Limited	53.73	20.72
	Albonair GmbH, Germany	0.63	0.59
	Optare Plc	1.09	1.43
	Vishwa Buses and Coaches Limited	0.87	0.87
6	**Purchase of assets**		
	Ashley Alteams India Limited	-	5.05
	Switch Mobility Automotive Limited	49.83	-
7	**Sale of assets**		
	Vishwa Buses and Coaches Limited	0.02	0.11
	Switch Mobility Automotive Limited	-	1.79
8	**Dividend payment**		
	Hinduja Automotive Limited, United Kingdom	388.32	149.35
9	**Dividend income**		
	Ashok Leyland Defence Systems Limited	-	0.60
	Lanka Ashok Leyland Plc	0.12	0.22
	Albonair (India) Private Limited	74.97	-
	Ashok Leyland (UAE) LLC	3.08	-
10	**Financial guarantees issued**		
	Switch Mobility Limited, UK	327.83	463.39
11	**Financial guarantees released**		
	Ashley Alteams India Limited	3.63	3.13
	Optare Plc	281.36	-
12	**Investment in shares of**		
	Ashley Aviation Limited	4.00	16.42
	Vishwa Buses and Coaches Limited	3.40	3.40
	Gro Digital Platforms Limited	15.00	-
	Optare Plc	1,199.31	-
	TVS Trucks and Buses Private Limited	24.95	-
	OHM Global Mobility Private Limited	300.00	-
	Ashok Leyland Defence Systems Limited	20.36	-
	HR Vaigai Private Limited	-	#

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.8 Related party disclosure (Contd.)

e) Significant Related Party Transactions

₹ Crores

	Transactions during the year ended March 31	2024	2023
13	**Inter-corporate deposits given**		
	Switch Mobility Automotive Limited	-	200.00
14	**Inter-corporate deposits repaid**		
	Switch Mobility Automotive Limited	200.00	-
15	**Commission and sitting fees to key management personnel**		
	Commission and sitting fees to other directors in aggregate	8.16	5.98
16	**Contribution to employee related trusts made during the year including loans and interest recovered**		
	Ashok Leyland Employees Ennore Provident Fund Trust	53.19	52.95
	Ashok Leyland Employees Hosur Provident Fund Trust	49.20	47.35
	Ashok Leyland Senior Executives Provident Fund Trust	55.11	49.38
	Ashok Leyland Employees Gratuity Fund	30.11	19.36
	Ashok Leyland Superannuation Fund	16.79	16.06
	Ennore Foundries Gratuity Fund	1.83	5.37
	Ennore Foundries Limited Employees Provident Fund	12.82	12.52
17	**Loan given**		
	Switch Mobility Automotive Limited	500.00	-
18	**Loan repaid**		
	Switch Mobility Automotive Limited	405.00	-
19	**Consideration towards sale of Electric vehicle business including interest thereon**		
	Switch Mobility Automotive Limited	-	25.44
20	**Conversion of receivable on slump sale into preference shares (Refer Note 1.3)**		
	Switch Mobility Automotive Limited	-	301.00
21	**Remuneration to key management personnel ***		
	Mr. Shenu Agarwal		
	Short term employee benefits	8.47	1.41
	Other long term employee benefits	0.08	-
	Mr. Gopal Mahadevan		
	Short term employee benefits	8.34	14.00
	Other long term employee benefits	0.08	0.08
	Share-based payment	0.93	2.26
	Mr. Dheeraj G Hinduja		
	Short term employee benefits	23.92	17.92
	Other long term employee benefits	0.08	0.08

Amount is below rounding off norms adopted by the Company.

* Excludes contribution for gratuity and compensated absences and long term incentive plan as the incremental liability has been accounted for the Company as a whole.

f. Details of loans / intercorporate deposits (excluding interest accrued) as required under regulation 53(1)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

₹ Crores

Name of the company	March 2024				March 2023			
	Status	Outstanding amount	Maximum loan outstanding during the year	Investment in shares of the Company	Status	Outstanding amount	Maximum loan outstanding during the year	Investment in shares of the Company
Switch Mobility Automotive Limited	Subsidiary	95.00	700.00	-	Subsidiary	200.00	200.00	-

3.8 Related party disclosure (Contd.)

g. Disclosure as required under section 186(4) of the Companies Act, 2013:

₹ Crores

	Particulars	As at March 31, 2024	As at March 31, 2023	Maximum amount outstanding during the year	Purpose
i)	Loans outstanding				
	- Switch Mobility Automotive Limited*	95.00	-	500.00	For Operating expenses, working capital requirements, capital expenditure and general corporate purposes.
ii)	Intercorporate deposits outstanding				
	- Switch Mobility Automotive Limited	-	200.00	200.00	For Operating expenses and working capital purposes
	- Hinduja Group Limited@	25.00	-	27.00	For Operating expenses and working capital purposes
	- Hinduja Realty Ventures Limited#	25.00	-	27.00	For Operating expenses and working capital purposes
	- Indusind Media & Communications Limited@	25.00	-	25.00	For Operating expenses and working capital purposes
	- OneOTT Intertainment Limited#	25.00	-	25.00	For Operating expenses and working capital purposes
iii)	Investments (Refer Note 1.3)	6,063.92	4,496.90		General corporate purpose
iv)	Guarantees availed [Refer Note below]				
	- Optare plc	31.51	300.88	313.09	Guarantees for working capital loan
	- Switch Mobility Limited, UK	601.57	459.74	738.99	Guarantees for term loan / working capital loan
	- Ashley Alteams India Limited	3.25	6.88	6.88	Guarantees for term loan
	- Albonair GmbH	125.83	125.22	128.72	Guarantees for working capital loan

Note:

The terms are in compliance with Section 186(7) of the Companies Act, 2013.

* Received back on 17th April 2024. # Received back on 4th April 2024. @Received back on 5th April 2024

3.9 Contingent liabilities

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
Claims against the Company not acknowledged as debts (net)			
i)	Sales tax / VAT / GST #	244.28	257.22
ii)	Excise duty #	9.20	9.20
iii)	Service Tax #	59.81	110.72
iv)	Customs Duty #	0.43	0.43
v)	Others	40.51	43.02

\# These have been disputed by the Company on account of issues of applicability and classification.

Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.

Notes :

The Company evaluated the impact of the recent Supreme Court Judgement in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952 and the Management believes that further clarity is required on this matter for the time period prior to 31st March 2019. However, it is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

The Company is involved in various claims and actions in the ordinary course of business. The Company accrues a liability when a loss is considered probable and the amount can be reasonably estimated. In the opinion of the management the outcome of any existing claims, legal and regulatory proceedings, if decided adversely, is not expected to have a material adverse effect on the business, financial condition, results of operations and cash flows of the Company based on the current position of such claims/legal actions.

3.9.1 Others

The value of corporate guarantee given to bank for the loan taken by subsidiaries and a joint venture company for the year ended March 31, 2024 is ₹ 762.16 crores (March 31, 2023: ₹ 892.72 crores).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.10 Commitments

		As at March 31, 2024	As at March 31, 2023
		₹ Crores	₹ Crores
a)	Capital commitments (net of advances) not provided for	467.57	275.27
	[including ₹ 50.22 crores (March 2023: ₹ 9.70 crores) in respect of intangible assets]		
b)	Uncalled liability on partly paid shares / investments [Refer Note 1.3]	#	#
c)	Other commitments		
	i) Financial support given to certain subsidiaries, joint ventures, etc. (including undertaking provided to customers of certain subsidiaries).		
	ii) Lock-in commitment in shareholders agreement [Refer Note 1.3]		

The outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.

Amount is below rounding off norms adopted by the Company.

3.11 Details of Non-current borrowings:

₹ Crores

		As at March 31, 2024			As at March 31, 2023			
		Non-current	Current Maturities	Total	Particulars of Redemption / Repayment	Non-current	Current Maturities	Total
a.	**Secured borrowings:**							
i.	Term loans:							
	TL - 12	200.00	100.00	300.00	Repayable annually in 5 equal installments starting from September 9, 2022	300.00	100.00	400.00
	TL - 13	150.00	75.00	225.00	Repayable annually in 4 equal installments starting from May 12, 2023	225.00	75.00	300.00
	TL - 14	12.50	25.00	37.50	Repayable semi annually in 8 equal installments starting from February 28, 2022	37.50	25.00	62.50
	TL - 15	87.50	8.75	96.25	Repayable quarterly in 20 installments of varying amounts starting from July 1, 2023	96.25	3.75	100.00
	TL - 16	160.00	40.00	200.00	Repayable annually in 5 equal installments starting from March 25, 2025	200.00	-	200.00
	TL - 17	168.75	56.25	225.00	Repayable semi annually in 12 installments of varying amounts starting from September 30, 2022	225.00	12.50	237.50
		778.75	**305.00**	**1,083.75**		**1,083.75**	**216.25**	**1,300.00**
ii.	Non-Convertible Debentures (NCD)							
	Series 3	200.00	-	200.00	Bullet repayment at the end of 5 years from the date of allotment i.e. March 17, 2027. The Company has a call option to redeem the debentures at the end of 3rd year.	200.00	-	200.00
	Series 2	-	-	-	Repaid on June 23, 2023	-	200.00	200.00
	Series 1	-	-	-	Repaid on May 19, 2023	-	400.00	400.00
		200.00	**-**	**200.00**		**200.00**	**600.00**	**800.00**
iii.	SIPCOT Soft loan	31.18	-	31.18	Repayable on August 1, 2025	31.18	-	31.18
		31.18	**-**	**31.18**		**31.18**	**-**	**31.18**

(i) TL -12 - Term loan was secured by way of first ranking charge on the specified plant and machinery of a manufacturing unit of the Company located at Pantnagar to the extent of ₹ 300 crores.

(ii) TL - 13 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Company located at Hosur to the extent of 1.25 times of the amount of loan.

3.11 Details of Non-current borrowings: (Contd.)

(iii) TL - 14 - Term loan was secured by way of exclusive charge on the specified plant and machinery and other movable fixed assets of a manufacturing unit of the Company located at Pantnagar to the extent of 1.10 times of the amount of loan.

(iv) TL - 15 - Term loan was secured by way of exclusive charge on the specified plant and machinery and other movable fixed assets of the manufacturing units of the Company located at Pantnagar and Hosur to the extent of 1.25 times of the amount of loan.

(v) TL -16 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Company located at Chennai and Hosur to the extent of ₹ 200 Crores.

(vi) TL -17 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Company located at Hosur, Pant nagar and Bhandara to the extent of 1.10 times of the amount of loan.

(vii) NCD - Series 1 - 8% AL 2023 repaid during the year and was secured by way of first ranking charge over specific plant and machinery of manufacturing and research and development units situated at Ennore, Pantnagar, Hosur and Vellivoyalchavadi and specific immovable properties of manufacturing unit at Ennore to the extent of 1.10 times of the amount of debentures and interest accrued thereon.

(viii) NCD - Series 2 - 7.65% AL 2023 repaid during the year and was secured by way of First Ranking charge over specific plant and machinery of the manufacturing units situated at Hosur and Alwar and specific immovable properties situated at manufacturing unit at Ennore to the extent of 1.10 times of the amount of debentures and interest accrued thereon.

(ix) NCD - Series 3 - 7.30% AL 2027 are secured by way of First Ranking charge over specific plant and machinery of manufacturing unit situated at Hosur to the extent of 1.10 times of the amount of debentures and interest accrued thereon.

(x) The above SIPCOT soft loan are secured by way of first charge on the fixed assets created and the same shall be on pari passu with other first charge holders of LCV division.

The company has registered the charges / satisfaction of charges with the Registrar of Companies within the stipulated period.

₹ Crores

	As at March 31, 2024				As at March 31, 2023		
	Non-current	Current Maturities	Total	Particulars of Redemption / Repayment	Non-current	Current Maturities	Total
b. Unsecured borrowings:							
i. ECB loans							
ECB -16	55.97	55.97	111.94	Repayable annually in 3 equal installments starting from November 18, 2023	112.05	56.03	168.08
ECB -15	-	55.60	55.60	Repayable annually in 3 equal installments starting from February 28, 2023	54.78	54.78	109.56
ECB -14	-	222.41	222.41	Repayable annually in 3 equal installments starting from September 23, 2022	219.12	219.12	438.24
	55.97	**333.98**	**389.95**		**385.95**	**329.93**	**715.88**
ii. Interest free sales tax loans Programme II	66.41	-	66.41	Varying amounts repayable on a periodical basis ending in June 2028	66.41	-	66.41
	66.41	**-**	**66.41**		**66.41**	**-**	**66.41**

The above term loans, external commercial borrowings and loans from others carry varying rates of interest ranging with maximum rate of interest going upto 9.25% p.a. (March 31, 2023: 9.25% p.a). The weighted average rate of interest of these loans is around 7.54% p.a (2022-23 : 7.62% p.a).

3.12 Details of current borrowings

		As at March 31, 2024 ₹ Crores	Particulars of Repayment	As at March 31, 2023 ₹ Crores
a.	**Secured borrowings**			
i	- Bills discounted	10.51	Repayable /repaid on various dates upto September 2024 /August 2023	13.06
ii	- STL 27	250.00	Repayable on April 10, 2024	-
		260.51		**13.06**

Working capital demand loan from banks / Bills discounted are secured by way of hypothecation of the whole stocks of Raw Materials, Semi Finished and Finished goods, Stores and Spares not related to Plant and Machinery (Consumable stores and spares) Bills Receivable, Book Debts and all other movables both present and future now lying or stored about the factory premises, godowns, warehouses, yards and any other locations to the extent of ₹ 2,000 crores (March 31, 2023: ₹ 2,000 crores)

		As at March 31, 2024 ₹ Crores	Particulars of Repayment	As at March 31, 2023 ₹ Crores
b.	**Unsecured borrowings**			
i.	- STL 25	-	Repaid on August 25, 2023	150.00
ii.	- STL 26	150.00	Repayable on June 20, 2024	-
		150.00		**150.00**
i.	- Bills discounted	73.80	Repayable / Repaid on various dates upto September 2024 / December 2023	105.57
		73.80		**105.57**

The above outstanding borrowings carry varying rates of interest with the maximum rate of interest going upto 7.40% p.a (March 31, 2023: 8.04% p.a). The weighted average rate of interest of these borrowings is around 7.39% (2022-23: 8.04%) p.a.

The carrying value of the above borrowings (as reflected in Notes 1.16 and 1.21) are measured at amortised cost using effective interest method while the above borrowings represents principal amount outstanding.

3.13 Other Information (including foreign currency transactions)

		Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
3.13.1	**Auditors' remuneration**		
	Included under selling and administration expenses - net [Refer Note 2.7]		
i)	For financial audit	1.90	1.90
ii)	For other services - limited review, certification work, etc.	1.01	1.09
iii)	For reimbursement of expenses	0.08	0.10
3.13.2	**Total research and development costs charged to the Statement of Profit and Loss (including expenses capitalised)** [including amount shown under Note 2.7]	454.72	443.08
3.13.3	**Impact of exchange (gain) / loss for the year in the Statement of Profit and Loss due to:**		
a)	Translation / settlement (net) *	(2.03)	10.81
	* Included under selling and administration expenses [Refer Note 2.7]		
b)	Depreciation on exchange difference capitalised #	43.90	55.67
	# Included under depreciation and amortisation expense [Refer Note 2.6]		
c)	Exchange (gain) / loss treated as adjustment to finance costs [Refer Note 2.5]	(11.67)	2.41

3.14 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company. The amount of principal and interest outstanding is given below:

₹ Crores

	Particulars	March 2024	March 2023
i)	Principal amount paid after appointed date during the year	-	5.85
ii)	Amount of interest due and payable for the delayed payment of principal amount	-	0.02
iii)	Principal amount remaining unpaid as at year end (over due)	-	-
iv)	Principal amount remaining unpaid as at year end (not due)	88.49	79.60
v)	Interest due and payable on principal amount unpaid as at the year end	-	-
vi)	Total amount of interest accrued and unpaid as at year end	0.32	0.32
vii)	Further interest remaining due and payable for earlier years	0.32	0.30
	Also Refer Notes 1.22 and 1.23		

3.15 CSR Expenditure:

₹ Crores

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Gross amount required to be spent by the Company during the year as per Section 135 of the Companies Act, 2013 read with schedule VII (including unspent amount of previous year, as applicable)	10.39	0.11
Surplus carried forward from previous year set off during the year	(10.39)	-
Surplus, carried forward to next year	4.66	-
Amount of expenditure incurred		
(i) Construction / acquisition of any asset	-	-
(ii) Ongoing projects (does not include ₹ 0.85 crores of 2023 paid in 2024)	11.66	13.99
(iii) On purposes other than (i) & (ii) above	3.79	2.02
Total amount of expenditure incurred	15.45	16.01
Shortfall if any excluding amounts transferrable to earmarked bank account / Schedule VII	-	-
Total of previous years shortfall	-	-
Reason for shortfall	Not applicable	Not applicable
Nature of CSR activities	- Education, - Environmental sustainability, - Eradicating hunger, poverty, malnutrition and preventive health care	- Education, - Environmental sustainability, - Eradicating hunger, poverty, malnutrition and preventive health care
Details of related party transactions where CSR is entrusted to a related party	Not applicable	Not applicable
Opening balance of earmarked bank account relating to CSR activities	4.26	9.59
Addition for the year	0.03	0.32
Utilisation from the balance for the year	4.29	5.65
Closing balance of earmarked bank account relating to CSR activities	-	4.26
Opening balance of provision relating to CSR activities	5.14	10.00
Addition	-	0.85
Utilisation	5.14	5.71
Closing balance of provision relating to CSR activities	-	5.14

3.16 Goodwill

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
Gross Goodwill at the beginning / end of the year	449.90	449.90
Accumulated impairment at the beginning / end of the year	-	-
Carrying amount of Goodwill	**449.90**	**449.90**

Allocation of goodwill to cash-generating units

Pursuant to business combination, Light Commercial Vehicle division (LCV division) is identified as a separate cash generating unit. Goodwill has been allocated for impairment testing purposes to this cash-generating unit.

Cash-generating units to which goodwill is allocated are tested for impairment annually at each reporting date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit. The Company has used post tax discount rate of 17.5% (March 2023: 17%) and terminal growth rate of 3% (March 2023: 3%) for the purpose of impairment testing based on the next five years projected cash flows. Both pre tax and post tax discount rates give the same recoverable amount. The Company believes that any reasonable further change in the key assumptions on which recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount.

Also Refer Notes 1D and 1E. 15

3.17 Financial Ratios

Ratios	FY 2023-2024	FY 2022-2023	% of Change
Debt equity ratio #	0.26	0.38	-32%
Debt service coverage ratio *	2.64	3.51	-25%
Current ratio	0.96	1.05	-8%
Trade receivable turnover ratio	10.05	10.10	0%
Inventory turnover ratio	9.36	11.48	-18%
Trade payable turnover ratio	4.82	4.65	4%
Net capital turnover ratio *	597.29	151.30	295%
Return on capital employed (%) *	37.58%	20.45%	84%
Return on equity (%) *	30.38%	17.51%	73%
Net profit margin (%) *	6.82%	3.82%	79%

The Company earns a return on investment ranging from 6.0 % to 7.7 % p.a on fixed deposit and mutual funds.

* The reason for change in ratios by more than 25% is mainly due to higher profitability and improved working capital management achieved during year ended March 31, 2024 in comparison with year ended March 31, 2023.

Repayment of debt during the year ended March 31, 2024.

Ratios	Numerator	Denominator
Debt equity ratio (in times)	Gross total borrowings (before deducting un-amortised loan raising expense)	Equity share capital + Other equity
Debt service coverage ratio (in times)	Profit / (loss) before exceptional items and tax + Finance costs + Depreciation and amortisation expense – Tax expense	Interest paid + Lease payments + Principal repayments for long term borrowings
Current ratio (in times)	Current assets (excluding Asset classified as held for sale)	Current liabilities (excluding liabilities directly associated with assets classified as held for sale)
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivable
Inventory turnover ratio (in times)	(Cost of materials and services consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress)	Average inventory
Trade payable turnover ratio (in times)	Purchases + other expenses - service and product warranties	Average trade payable
Net capital turnover ratio (in times)	Revenue from operations	Average Working capital
Return on capital employed (%)	Profit / (Loss) before exceptional items and tax, Finance costs and Other income	(Equity share capital + Other equity)-Goodwill - Other intangible assets-Intangible asset under development +Deferred tax Liabilities(net)+Gross Borrowings
Return on equity (%)	Profit / (Loss) after tax	Average total equity
Net profit margin (%)	Profit / (Loss) after tax	Revenue from operations

3.18 The Company does not have any transactions with struck off companies under Companies Act, 2013 or Companies Act, 1956, during the year.

3.19 The Company has invested Rs.1,199.30 crores (March 31, 2023: Nil) in two tranches viz 28th November 2023 and 6th February 2024, in Optare Plc, UK (its subsidiary) [Intermediary 1]. Out of the aforementioned amount Intermediary 1 has invested in Switch Mobility Limited, UK (its subsidiary) [Intermediary 2] sum of GBP 36.27 Million on 30th November 2023 (March 31, 2023: Nil) and another tranche of GBP 50.68 Million on 8th February 2024 (March 31, 2023: Nil) as equity. Further, from the amount received, Switch Mobility Limited, UK [Intermediary 2] invested Rs.208.64 crores on 11th December 2023 and Rs.341.36 crores on 9th February 2024 in Switch Mobility Automotive India Limited [ultimate beneficiary].

The Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013, to the extent applicable, and these transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Except as detailed above, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other persons or entities, including foreign entities (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 to or on behalf of the ultimate beneficiaries.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. 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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

3.20 No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

3.21 The Company has complied with the number of layers prescribed under the Companies Act.

3.22 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

3.23 The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

3.24 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 certain provisions of the Code will come into effect and the rules thereunder has not been notified. 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.

3.25 The figures for the previous year have been reclassified / regrouped wherever necessary including for amendments relating to Schedule III of the Companies Act, 2013 for better understanding and comparability. The reclassifications / regroupings do not have material impact on the standalone financial statements.

3.26 The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

For and on behalf of the Board of Directors

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 24, 2024
Bengaluru

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 24, 2024
Chennai

INDEPENDENT AUDITORS' REPORT

Consolidated

To the Members of Ashok Leyland Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Ashok Leyland Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate companies and joint ventures (refer note 3.1 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate companies and joint ventures as at March 31, 2024, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements" section of our report. We are independent of the Group, its associate companies and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 of the Other Matters section below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   The following Key Audit Matters were included in the audit report dated May 15, 2024, containing an unmodified audit opinion on the consolidated financial information of Hinduja Leyland Finance Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
a. Impairment of financial assets (loans) based on Expected Credit Losses (ECL)	
As at March 31, 2024, the Company reported total gross loans of INR 30,037.98 crores (March 31, 2023: INR 23,064.71 crores) and expected credit loss provisions of INR 801.37 crores (March 31, 2023: INR 635.99 crores). Ind AS 109, Financial Instruments ('Ind AS 109') requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on the financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. Expected credit loss cannot be measured precisely but can only be estimated through use of statistics. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates and applying appropriate measurement principles, including additional considerations on account of Reserve Bank of India guidelines in relation to COVID-19 regulatory package and restructuring. The Company has involved an internal expert to measure probability of default (PD), loss given default (LGD), in accordance with Ind AS 109. The Company measures 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to:	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the expected credit losses through procedures which included, but were not limited to, the following: • Examined the policy approved by the Board of Directors ('Board') with respect to process and procedures for assessing and measuring credit risk on the lending exposures of the Company and evaluated its appropriateness in accordance with the requirements of Ind AS 109. • Evaluated the design and tested the operating effectiveness of controls across the process relevant to ECL measurement, including around the judgements and estimates made by the management. These controls, amongst others, included controls over the allocation of assets into stages along with management's monitoring of and completeness of the underlying data used in the models, credit monitoring, passing of journal entries and preparing disclosures. • With respect to management expert involved for the Company's modelling approach, we obtained the deliverables of the expert submitted to the management and assessed the professional competence and objectivity of such management expert. • Tested the completeness of loans included in the ECL calculations as of March 31, 2024 by reconciling such data with the balances as per loan book register.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

- segmentation of loan book in buckets based on common risk characteristics.
- staging of loans and in particular determining the criteria, which includes qualitative factors for identifying a significant increase in credit risk (i.e. Stage 2) and credit-impaired (i.e. Stage-3) including the days past due.
- factoring in future macro-economic and industry specific estimates and forecasts.
- past experience and forecast data on customer behaviour on repayments.
- varied statistical modelling techniques to determine PD, LGD and exposure at default (EAD) basis the default history of loans, subsequent recoveries made and other relevant factors using probability-weighted scenarios.
- effect of discounting the cash flows by estimating the timing of expected credit shortfalls associated with the defaults.

Impairment losses in addition to the model-driven ECL results are recorded as overlays by management, to address known impairment model limitations or emerging trends as well as risks not captured by models.

As at March 31, 2024, overlays represent approximately 34% of the ECL balances. These adjustments required significant management judgement.

Determining ECL on the financial assets also requires compliance with key disclosure requirements as prescribed under the standards and by the Reserve Bank of India, to explain the key judgements and assumptions made by the management in the measurement.

Considering the significance of the above matter to the consolidated financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.
</td><td>

- Tested, on a sample basis, the appropriateness of determining EAD, the data used in the PD and LGD model for ECL calculation by reconciling it to the source information systems of the Company. Further, tested classification of assets into stage 1, 2 and 3 categories, on a sample basis, to verify that these were allocated to the appropriate stage.
- With the support of auditor's expert, obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Challenged the management on post model adjustments, considering the size and complexity of management overlays, in order to assess the reasonableness of the adjustments.
- Performed an overall assessment of the ECL provision levels at each stage, including management's assessment and provision on account of the Company's portfolio as well as the macroeconomic environment.
- On a test check basis, ensured compliance with RBI Master Circular on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances' ('IRACP') read with RBI circular on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications' dated 12 November 2021 along with RBI notification RBI/2021-2022/158 dated 15 February 2022, in relation to identification, upgradation and provisioning of non-performing assets (NPAs) and ensured that the Company has considered NPAs as credit impaired loans.
- Obtained written representations from the management in relation to appropriateness of such ECL methodology and reasonableness of the judgements and assumptions used.
- Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying consolidated financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.
</td></tr>
<tr><td colspan="2">b. Financial assets measured at fair value through other comprehensive income (FVTOCI)</td></tr>
<tr><td>

As at March 31, 2024, the Company has loans amounting to INR 20,913.39 crores (March 31, 2023: INR 14,914.87 crores) that are carried and measured at FVTOCI in accordance with Ind AS 109.

The classification of such loans at FVTOCI is dependent on the business model adopted by the Company to manage such financial assets in order to generate cash flows.

The management has determined that their business model of aforesaid loans is to collect contractual cash flows (solely payments of principal and interest on the amount outstanding) and also to sell such financial assets, and hence, such loans are classified at FVTOCI in accordance with the principles of Ind AS 109.

In measuring these loans, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The management has used the services of an independent professional valuer for arriving at the fair value of aforesaid loan assets. Such fair value is derived using discounted cash flow models wherein the key assumptions include discount rate and adjustment for credit risk including default risk.

Given the subjectivity involved in ascertaining the business model and the fair valuation of the aforesaid loans, relative significance of these loans to the consolidated financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.
</td><td>

Our audit procedures in relation to financial assets measured at FVTOCI included, but were not limited, to the following:

- Obtained an understanding of the 'Business Model Policy Note' approved by the Board of Directors of the Company, and evaluated whether the identified loan portfolio would satisfy the conditions of Ind AS 109 for measurement at FVTOCI.
- Assessed the design and tested the operating effectiveness of managements' key internal controls over inputs used in the valuation model.
- Obtained the valuation report of the management's valuation expert involved and assessed the expert's competence and objectivity in performing the valuation of these loans.
- With the support of our valuation specialists, assessed whether the valuation methodology adopted by the management's expert is appropriate and tested the reasonableness of the underlying assumptions used such as discount rates to estimate the fair value of the said loans by performing independent sensitivity analysis. Also, tested the completeness of source data and arithmetical accuracy of the management working.
- Assessed the appropriateness and adequacy of disclosures made in the consolidated financial statements with respect to Company's exposure to financial instrument valuation risk as per the requirements of the Indian Accounting standards.
- Obtained written representations from the management in relation to reasonableness of the assumptions and judgements used in the valuation of these loans.
</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
c. Information Technology ("IT") Systems and Controls for the financial reporting process	
The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed in numerous locations on a daily basis. The financial accounting system of the Company is integrated with several other modules including Loan Management and Originating modules and other workflows. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. The accuracy and reliability of the financial reporting process depends on the IT systems and the related control environment, including: • IT general controls over user access management and change management across applications, networks, database, and operating systems; • IT application controls. Due to the pervasive nature and importance of the role of IT systems and related control environment on the Company's financial reporting process, we have identified testing of such IT systems and related control environment as a key audit matter for the current year audit.	In our audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures with the involvement of our IT specialists, which included but were not limited to, the following: • Obtained an understanding of the Company's IT related control environment, IT applications, databases and IT Infrastructure. Based on our understanding, we have evaluated and tested relevant IT general controls and IT application controls on the systems identified as relevant for our audit of the standalone financial statements. • On such in-scope IT systems, we have tested key IT general controls with respect to the following domains: a. User access management, which includes user access provisioning, de-provisioning, access review, password policies, sensitive access rights and segregation of duties to ensure that privileged access to applications, operating system and databases in the production environment were granted only to authorized personnel; b. Program change management, which includes controls on moving program changes to production environment by authorised personnel as per defined policy and procedures along with adequate segregation of environment; c. Other areas that were assessed under the IT control environment included backup management, incident management, batch processing and interfaces. • Reviewed the report of Information System Audit carried out in the current and previous years by a firm engaged by management pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting and discussed the deficiencies with the management along with corresponding mitigating actions undertaken. • Evaluated the design and tested the operating effectiveness of key automated controls within various business processes, including testing of relevant system logic and corresponding automated calculations and process for automated accounting entries, as applicable. Where deficiencies were identified, tested compensating controls and/or performed additional substantive audit procedures as required to mitigate any risk of material misstatement with respect to related financial statement line item. • Obtained written representations from management on whether IT general controls and automated IT controls are designed and were operating effectively during the year.

5. The following Key Audit Matters were included in the audit report dated May 14, 2024, containing an unmodified audit opinion on the financial information of Hinduja Housing Finance Limited, a step-down subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced by us as under:

Key audit matter	**How our audit addressed the key audit matter**
a. Impairment of loans to customers:	
Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ("ECL") estimation model. As at March 31, 2024, the Company has total gross loan assets of INR 9,345.76 crores against which an impairment loss of INR 119.19 crores has been recorded. The calculation of impairment losses on loans is complex and is based on the application of significant management judgements, estimates and the use of different modelling techniques and assumptions, which have a material impact on reported profits. The Company has applied a three-stage approach based on changes in credit quality to measure expected credit loss on loans. The key areas where we identified greater levels of management judgement are: 1. Staging of loans and determining the criteria for a significant increase in credit risk. 2. Model estimations – the most significant judgement aspects are determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD") 3. Determining macro-economic factors impacting credit quality of receivables. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecast of future economic conditions which could impact the credit quality of the Company's loans and advances. In view of such a high degree of Management's judgement involved in estimation of ECL, it is a key audit matter.	**Our key audit procedures included:** • Review of the Company's accounting policies for impairment of loan assets in terms of accounting principles laid down in Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued from time to time. • Understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation to evaluate the reasonableness of the Management estimates. • Assessed and tested the design and operating effectiveness of key manual and automated controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also, evaluated the controls over the modelling process, validation of data and related approvals. • Assessed the criteria for staging of loans based on their past due status. Also performed analytical reviews of disaggregated data. • Test-checked the computation of ECL, including assumptions and underlying computation. Also verified the disclosures included in the financial statements.
b. IT systems and controls:	
The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Accordingly, we identified IT systems and controls over financial reporting as a key audit matter for the Company.	**Our key audit procedures included:** Obtained an understanding of the Company's IT related control environment, IT applications, databases, and IT Infrastructure. Based on our understanding, we have evaluated and tested Controls on the systems identified as relevant for our audit of the financial statements. On such in-scope IT systems, we have tested key IT general controls with respect to the following domains: • User access management, which includes user access provisioning, de-provisioning, access review and access rights; • Program change management, which includes controls on program changes by authorised personnel; • Other areas included backup management, business continuity management and third-party management. • We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various configuration and other identified application controls. • Tested the design and operating effectiveness of key automated controls including testing of relevant system logic, automated calculations, and accounting entries. • We reviewed the report of the professional firm engaged by the management for review of information system and security assessment.

Key audit matter	How our audit addressed the key audit matter
c. Financial assets measured at fair value through other comprehensive income (FVTOCI)	
As at March 31, 2024, the Company has loans amounting to INR 2,569.18 crores (March 31, 2023: Nil) that are carried and measured at fair value through other comprehensive income (FVTOCI) in accordance with Ind AS 109. The classification of loans at FVTOCI is dependent on the business model of the Company whereby the management has determined that the aforesaid loans are to collect contractual cash flows and also to sell such financial assets. The fair value arrived by the management's valuation expert is derived using discounted cashflow models wherein the key assumptions include expected future cash flows, prepayment rate and discount rate. Given the business model assessment, the fair valuation of the aforesaid loans and relative significance of these loans to the financial statements, we determined this to be a key audit matter.	**Our key audit procedures included:** • Obtained an understanding of the 'Business Model Assessment Policy' approved by the Board of Directors of the Company. • Evaluated the criteria adopted by the management in identification of the loan portfolio and reviewed the inputs used by the management in fair valuation. • Assessed the management's valuation expert's competence in performing the valuation of these loans. • Reviewed the valuation report, valuation methodology and underlying assumptions used to estimate the fair value. Also, test checked the arithmetical accuracy of the workings. • Reviewed the appropriateness and adequacy of disclosures made in the financial statements as per the requirements of Ind AS. • Obtained written representations from the management in relation to reasonableness of the assumptions and judgements used in the valuation of these loans.

6. The following Key Audit Matters were included in the audit report dated May 09, 2024, containing an unmodified audit opinion on the financial information of Lanka Ashok Leyland Plc, an associate of the Holding Company issued by an independent firm of Chartered Accountants reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
a. Carrying value of Inventories	
Changes in economic sentiment or consumer preferences, demands and the introduction of newer models with the latest design and technologies could result in inventories in hand no longer being sought after or being sold at a discount. Estimating the future demand and the related selling prices of vehicles, generators and spare parts are inherently subjective and uncertain because it involves management estimating the extent of markdown of selling prices necessary to sell the older or slow-moving models in the period subsequent to the reporting date. We identified valuation of inventories as key audit matter because of the significant judgment exercised by management in determining appropriate carrying value in inventories.	**Our audit procedures included:** • Evaluating whether the inventory provisions at the end of the reporting period were determined in a manner consistent with the Company's inventory provision policy by recalculating the inventory provisions based on the percentages and other parameters in the Company's inventory provision policy. • Assessing, on a sample basis, whether items in the inventory ageing report were classified within the appropriate ageing category by comparing individual items with the underlying documentation which included purchase invoices and goods receipt notes. • Enquiring of management about any expected changes in plans for markdowns or disposals of slow moving or obsolete inventories and comparing their representations with actual transactions subsequent to the reporting date and assumptions adopted in determining the inventory provisions. • Comparing, on a sample basis, the carrying value of inventories with sales prices subsequent to the end of the reporting period. • Attending inventory counts as at the year end to ensure the existence and condition of the inventories as at the reporting date.

INDEPENDENT AUDITORS' REPORT

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">b. Recoverability of Rental and Trade receivables</td></tr>
<tr><td>Assessing the allowance for impairment of Rental and Trade Receivables remains one of the most significant judgments made by management particularly in light of the ongoing economic downturn experienced by the country. We identified assessing the recoverability of receivable as a key audit matter because of the significance of rental and receivable to the financial statements as a whole and the assessment of the recoverability of trade receivable is inherently subjective and requires significant management judgment in accordance with Sri Lanka Financial Reporting Standards (SLFRS) 09, which increases the risk of error or potential management bias. Management's provisioning methodology is based on an Expected Credit Loss (ECL) model as required under SLFRS 09 "Financial Instruments".</td><td>Our audit procedures included:
• Obtaining an understanding of and assessing the design and implementation of management's key internal controls relating to credit control, debt collections and making allowances for doubtful debtors.
• Reviewing the appropriateness of the provisioning methodology used by management in determining the impairment allowances against the requirements of SLFRS 09.
• Recomputing management's estimation of the impairment allowance determined based on the expected credit loss method.
• Obtaining an understanding of the key parameters and assumptions of the expected credit loss model adopted by the management, including historical default data and management's estimated loss rates. Assessing the reasonableness of management's loss allowance estimate by examining the information used by management to form such judgements, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward looking information.
• Challenging management's assumptions for the expected cashflows and the timing of the expected cashflows in the scenario-based probability weighted impairment assessment of individually significant customers.
• Assessing, on a sample basis, whether items in the debtors ageing report were classified within the appropriate ageing category by comparing individual items in the report with the underlying documentation such as sales invoices.
• Requesting for confirmations from major debtors and/or verifying subsequent settlements as an alternative procedure.</td></tr>
</table>

Also refer to the Key Audit Matter included by us in our audit report of even date on the Standalone financial statements of the Holding Company.

Other Information

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

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate companies and joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate companies and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the

consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate companies and joint ventures are responsible for assessing the ability of the Group and of its associate companies and joint ventures 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 Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group and of its associate companies and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associate companies and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

12. 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate companies and joint ventures 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate companies and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate companies and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the consolidated financial statements/financial information of four subsidiaries and financial statements of eight subsidiaries included in the consolidated financial statements, whose financial statements/ financial information reflect total assets of INR 49,537.15 crores and net assets of INR 7,801.67 crores as at March 31, 2024, total revenue of INR 9,896.97 crores, total net profit after tax of INR 327.90 crores, total comprehensive

income (comprising of profit and other comprehensive income) of INR 868.90 crores and net cash inflows amounting to INR 1,872.80 crores for the year ended March 31, 2024, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of INR 21.66 crores and total comprehensive income (comprising of profit and other comprehensive income) of INR 23.85 crores for the year ended March 31, 2024 as considered in the consolidated financial statements, in respect of three associate companies and one joint venture, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint ventures and associate companies, is based solely on the reports of the other auditors.

17. We did not audit the consolidated financial information of one subsidiary and financial information of two subsidiaries and three step-down subsidiaries, whose financial information reflect total assets of INR 262.93 crores and net assets of INR 25.56 crores as at March 31, 2024, total revenue of INR 366.98 crores, total net profit after tax of INR 5.72 crores, total comprehensive income (comprising of profit and other comprehensive income) of INR 5.95 crores and net cash outflows amounting to INR 18.61 crores for the year ended March 31, 2024, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax of INR 4.98 crores and total comprehensive loss (comprising of net loss) of INR 4.98 crores for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of three joint ventures whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, step-down subsidiaries and joint ventures and our report in terms of sub-section (3) of Section 143 including Rule 11 of the Companies (Audit and Auditors) Rules, 2014 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, step-down subsidiaries and joint ventures, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

18. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is disqualified as on March 31, 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 19(b) above on reporting under Section 143(3)(b) paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Rules.

    (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, its associates and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

    (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 consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associate companies and joint ventures– Refer Note 3.11 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2024 – refer note 3.6 to the consolidated financial statements in respect of such items as it relates to the Group, its associate companies and joint ventures.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India during the year.

iv. (a) The respective Managements of the Company and its subsidiaries, joint ventures and associate companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, joint ventures and associate companies respectively that, to the best of their knowledge and belief, other than as disclosed in the note 3.20 to the consolidated financial statements, 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 or any of such subsidiaries, joint ventures and associate companies to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, joint ventures and associate companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Company and its subsidiaries, joint ventures and associate companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, joint ventures and associate companies respectively that, to the best of their knowledge and belief, as disclosed in the note 3.20 to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries, joint ventures and associate companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, joint ventures and associate companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries, joint ventures and associate companies which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company, its subsidiary companies, associate companies and joint ventures, as applicable, is in compliance with Section 123 of the Act.

vi. Audit trail:

In case of the Parent Company audited by us:

Based on our examination, which included test checks, the Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that the audit trail (edit log) facility for direct database changes for the accounting software has been enabled and operated for only part of the year for all relevant transactions and with an exception for the modification of values in case of certain users with specific access, both at database level and at the application level. With respect to accounting entries posted for preparing consolidated financial statements, the related accounting software does not have the feature of recording audit trail (edit log) facility. During the course of performing our procedures, except for the aforesaid instances of audit trail not maintained at the application level and the database level where the question of our commenting on whether the audit trail has been tampered with does not arise, we did not notice any instance of audit trail feature being tampered with.

With respect to other accounting software used by the Company, the audit trail feature was not enabled for the entire financial year and accordingly, the question of our commenting on whether there was any instance of the audit trail feature been tampered with, does not arise.

The following remarks have been included in the audit reports containing an unmodified opinion issued by other auditors on the consolidated financial statements for one subsidiary; and on the financial statements of nine subsidiaries and one step-down subsidiary, two associate companies and one joint venture, which is reproduced as under:

Name of the subsidiaries/ step-down subsidiary/ associate companies / joint venture	Remarks in the audit reports by other auditors
GRO digital Platforms Limited	Based on our examination, the Company has used accounting software(s) for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility wherein the accounting software(s) did not have the audit trail feature enabled throughout the year.
Gulf Ashley Motors Limited HLF Services Limited Global TVS Bus Body Builders Limited Ashley Aviation Limited Vishwa buses and coaches Limited Ashok Leyland Defence Systems Limited Mangalam Retail Services Limited Ashley Alteams India Limited	Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same was operational throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.
Switch Mobility Automotive Limited Ohm Global Mobility Private Limited	Based on our examination, the Company has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled at the database level until February 2024 in respect of the software to log any direct data changes. The audit trail facility has not been operated for all relevant transactions recorded in the accounting software throughout the period, as it was enabled at database level with effect from February 2024. Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with, post enablement of the audit trail facility.
Albonair (India) Private Limited	Based on our examination, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level from April 01, 2023 till February 13, 2024, in respect of the software (database DB2) to log any direct data changes. Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software, except for the software at the database level as stated above, in respect of which the audit trail facility has not operated throughout the year for all relevant transactions recorded in this accounting software as it was enabled only with effect from February 14, 2024. Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with, post enablement of the audit trail facility.

<table>
<tr><th>Name of the subsidiaries/ step-down subsidiary/ associate companies / joint venture</th><th colspan="2">Remarks in the audit reports by other auditors</th></tr>
<tr><td rowspan="4">Hinduja Tech Limited</td><td colspan="2">Based on our examination which included test checks, except for the instances mentioned below, the Company, in respect of financial year commencing on April 01, 2023, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below.</td></tr>
<tr><td>Nature of exception noted</td><td>Details of exception</td></tr>
<tr><td>Instances of accounting software for maintaining books of account which did not have a feature of recording audit trail (edit log) facility.</td><td>i) The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Company.

ii) The accounting software used for maintenance of employee records, customer records and sales records of the Company does not retain all the modifications made for transactions at application level and only the latest change logs are retained.</td></tr>
<tr><td>Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature</td><td>The accounting software used for maintenance of payroll records of the Company is operated by a third party software service provider. In the absence of the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organisation), we are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.</td></tr>
<tr><td>Hinduja Leyland Finance Limited and its subsidiaries</td><td colspan="2">Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries of the company which are Companies incorporated in India and audited under the Act, the Company and its subsidiaries, in respect of financial year commencing on April 01, 2023, have used an accounting software for maintaining their respective books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries, did not come across any instance of audit trail feature being tampered with.</td></tr>
</table>

20. The Group, its associate companies and joint ventures, as applicable have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637
UDIN : 24203637BKENLQ4035

Place : Bengaluru
Date : May 24, 2024

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 19(g) of the Independent Auditors' Report of even date to the members of Ashok Leyland Limited on the consolidated financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of Ashok Leyland Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to two joint venture companies incorporated in India namely Ashok Leyland John Deere Construction Equipment Company Private Limited and TVS Trucks and Buses Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. 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 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

7. 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

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, have, 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to ten subsidiary companies, three step-down subsidiary companies, two associate companies and one joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637
UDIN : 24203637BKENLQ4035

Place : Bengaluru
Date : May 24, 2024

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	5,471.90	5,363.61
Capital work-in-progress	1.1	170.18	139.15
Right-of-use asset	1.1a	395.27	399.34
Goodwill (including consolidation)		1,196.98	1,192.59
Other Intangible assets	1.2	1,092.36	1,190.77
Intangible assets under development	1.2	244.64	128.97
Investments - Accounted for using equity method	1.3	129.12	63.66
Financial assets			
(i) Investments	1.3	1,176.30	1,277.35
(ii) Trade receivables	1.4	2.55	2.84
(iii) Loans	1.5	27,393.24	19,646.38
(iv) Other financial assets	1.6	518.38	496.21
Deferred tax assets (net)	1.7	65.35	49.08
Income tax assets (net)	1.8	181.70	222.10
Other non-current assets	1.9	495.95	330.52
		38,533.92	**30,502.57**
Current assets			
Inventories	1.10	4,008.01	3,440.43
Financial assets			
(i) Investments	1.11	1,023.19	3,511.34
(ii) Trade receivables	1.12	3,898.15	4,187.36
(iii) Cash and cash equivalents	1.13a	5,217.32	1,908.58
(iv) Bank balances other than (iii) above	1.13b	1,862.73	278.14
(v) Loans	1.14	10,945.97	8,681.43
(vi) Other financial assets	1.15	789.83	782.14
Current Tax Assets (Net)	1.8a	3.85	1.84
Contract Assets	1.16	47.09	32.84
Other current assets	1.17	1,190.97	1,347.42
		28,987.11	**24,171.52**
Asset classified as held for sale	1.17A	139.43	71.92
TOTAL ASSETS		**67,660.46**	**54,746.01**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1.18	293.63	293.61
Other equity	1.19	8,710.99	8,258.15
Equity attributable to owners of the Company		**9,004.62**	**8,551.76**
Non-controlling interest		2,809.97	2,244.05
Total equity		**11,814.59**	**10,795.81**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1.20	26,695.71	19,502.86
(ii) Lease Liabilities		151.21	188.97
(iii) Other financial liabilities	1.21	127.41	164.01
Contract liabilities	1.22	283.45	250.04
Provisions	1.23	857.51	633.28
Deferred tax liabilities (net)	1.24	1,046.83	742.41
Other non-current liabilities	1.25	3.82	13.68
		29,165.94	**21,495.25**
Current liabilities			
Financial liabilities			
(i) Borrowings	1.26	13,868.63	11,417.58
(ii) Lease Liabilities		86.63	51.52
(iii) Trade payables	1.27		
a) Total outstanding dues of micro enterprises and small enterprises		114.88	77.09
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,683.14	7,504.78
(iv) Other financial liabilities	1.28	3,433.81	1,601.76
Contract liabilities	1.29	556.59	458.35
Provisions	1.30	802.99	586.52
Other current liabilities	1.31	589.05	618.18
Current tax liabilities (net)	1.32	527.38	128.30
		26,663.10	**22,444.08**
Liabilities directly associated with assets classified as held for sale	1.17B	16.83	10.87
TOTAL EQUITY AND LIABILITIES		**67,660.46**	**54,746.01**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 24, 2024
Bengaluru

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 24, 2024
Chennai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Note	Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
Income			
Revenue from operations	2.1	45,790.64	41,672.60
Other income	2.2	140.58	107.11
Total Income		**45,931.22**	**41,779.71**
Expenses			
Cost of materials and services consumed		28,241.38	28,272.18
Purchases of stock-in-trade		1,557.01	1,176.21
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(568.89)	(629.49)
		29,229.50	**28,818.90**
Employee benefits expense	2.3	3,672.69	3,234.38
Finance costs	2.4	2,982.25	2,093.50
Depreciation and amortisation expense	2.5	927.29	900.22
Other expenses	2.6	4,945.58	4,526.42
Total Expenses		**41,757.31**	**39,573.42**
Profit before Share of profit of associates and joint ventures, exceptional items and tax		**4,173.91**	**2,206.29**
Share of profit of associates and joint ventures (net)		16.38	10.75
Profit before exceptional items and tax		**4,190.29**	**2,217.04**
Exceptional items	2.7	(84.22)	47.89
Profit / (Loss) before tax		**4,106.07**	**2,264.93**
Tax expense:			
Current tax - charge / (credit)		1,478.91	967.02
Deferred tax - (credit) / charge		(69.18)	(60.91)
		1,409.73	**906.11**
Profit / (Loss) for the year		**2,696.34**	**1,358.82**
Other Comprehensive Income / (Loss)			
A (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of defined benefit plans		(16.26)	(14.11)
- Share of other comprehensive income in associates and joint ventures		(0.70)	0.03
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		4.12	4.85
B (i) Items that will be reclassified to Profit or Loss			
- Exchange differences in translating the financial statements of foreign operations		(30.77)	(11.38)
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(18.52)	11.87
- Gain/(Loss) on fair valuation of loans relating to financing activities		768.55	122.97
- Change in allowances for expected credit loss relating to financing activities		-	-
- Share of other comprehensive income in associates and joint ventures		2.89	(0.80)
(ii) Income tax relating to items that will be reclassified to Profit or Loss		(186.11)	(35.10)
Total Other Comprehensive Income / (Loss)		**523.20**	**78.33**
Total Comprehensive Income / (Loss) for the year		**3,219.54**	**1,437.15**
Profit / (Loss) for the year attributable to			
Owners of the Company		2,483.52	1,238.71
Non-controlling interests		212.82	120.11
Other Comprehensive Income for the year attributable to			
Owners of the Company		298.24	45.91
Non-controlling interests		224.96	32.42
Total Comprehensive Income / (Loss) for the year attributable to			
Owners of the Company		2,781.76	1,284.62
Non-controlling interests		437.78	152.53
Earnings / (Loss) per equity share (Face value ₹ 1 each)	3.4		
- Basic (in ₹)		8.46	4.22
- Diluted (in ₹)		8.45	4.21

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 24, 2024
Bengaluru

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 24, 2024
Chennai

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

Particulars		Year Ended March 31, 2024	Year Ended March 31, 2023
		₹ Crores	₹ Crores
Cash flow from operating activities			
Profit for the year		**2,696.34**	**1,358.82**
Adjustments for :			
Tax expense charge / (credit) - net		1,409.73	906.93
Share of profit of associates and joint ventures (net)		(16.38)	(10.75)
Depreciation and amortisation expense		865.42	839.20
Depreciation of right-of-use asset		61.87	61.02
Share based payment costs		8.63	3.54
Impairment allowance / (reversal) in value of goodwill and net assets of subsidiaries		8.03	(1.39)
Obligation relating to discontinued products of LCV division (net of reversal)		(53.68)	(14.90)
Write off of intangible assets under development		18.28	-
Impairment (reversal) / loss allowance / write off on trade receivable / other receivables / loans (net)		178.24	(82.28)
Net gain on fair value changes / disposal of investment relating to financing activity		(19.11)	-
Net loss / (gain) arising on financial asset mandatorily measured at FVTPL		3.71	(6.72)
Foreign exchange loss - net		2.76	37.18
Profit on sale of Property, plant and equipment (PPE) and intangible assets - net		(14.27)	(9.88)
Profit on sale of investments - net		(60.61)	(36.79)
Loss / (Gain) on fair valuation of investment in fellow subsidiary		124.99	(65.67)
Loss on preclosure of leases		-	0.07
Finance costs		426.85	376.74
Interest income		(78.93)	(31.03)
Operating profit before working capital changes		**5,561.87**	**3,324.09**
Adjustments for changes in :			
Trade receivables		306.20	(902.17)
Inventories		(567.58)	(899.88)
Non-current and current financial assets		(9,287.02)	(6,724.98)
Other non-current and current assets		75.66	(113.82)
Interim Dividend remitted to designated bank account		(1,453.48)	-
Asset and liabilities classified as held for sale		(61.55)	(9.20)
Utilisation from escrow account		1.78	5.32
Contract assets		(14.25)	(7.13)
Related party advances / receivables (net)		(6.61)	1.19
Trade payables		(781.89)	320.02
Non-current and current financial liabilities		328.83	384.10
Other non-current and current liabilities		(30.72)	280.72
Non-current and current contract liabilities		131.65	(0.43)
Other non-current and current provisions		405.23	405.03
Cash used in operations		**(5,391.88)**	**(3,937.14)**
Income tax paid (net off refunds, if any)		(866.10)	(562.12)
Net cash used in operating activities	**[A]**	**(6,257.98)**	**(4,499.26)**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

Particulars		Year Ended March 31, 2024	Year Ended March 31, 2023
		₹ Crores	₹ Crores
Cash flow from investing activities			
Purchase of PPE and intangible assets		(1,133.54)	(929.10)
Proceeds on sale of PPE and intangible assets including sale of immovable properties		45.93	12.68
Proceeds on surrender of leasehold land		-	62.70
Purchase of controlling stake in a subsidiary		-	(218.44)
Purchase of non-current investments		(45.31)	-
Proceeds from sale of / (purchase) of current investments (net)		2,602.45	(1,439.64)
Proceeds from sale of non-current investments relating to financing activities		763.51	568.49
Purchase of non-current investments relating to financing activities		(777.17)	(818.99)
Proceeds from sale of current investments relating to financing activities		1,410.91	1,584.15
Purchase of current investments relating to financing activities		(1,469.02)	(1,968.50)
Proceeds from bank deposits		200.10	515.00
Investment in bank deposits		(156.12)	(391.57)
Inter Corporate Deposits given		(444.00)	(60.00)
Inter Corporate Deposits repaid		54.00	113.00
Interest received		83.64	35.26
Net cash from / (used in) investing activities	**[B]**	**1,135.38**	**(2,934.96)**
Cash flow from financing activities			
Proceeds from issue of equity shares (including securities premium)		2.17	5.05
Issue of shares to non-controlling interest shareholders		2.62	1,053.03
Proceeds from non-current borrowings		19,962.91	15,140.13
Repayments of non-current borrowings		(12,332.96)	(8,832.36)
Proceeds from current borrowings		12,888.69	5,431.27
Repayments of current borrowings		(10,844.39)	(4,826.06)
Payments of lease liability		(74.54)	(66.97)
Interest paid		(409.52)	(329.95)
Dividend paid		(763.39)	(293.55)
Net cash from financing activities	**[C]**	**8,431.59**	**7,280.59**
Net cash inflow / (outflow)	**[A+B+C]**	**3,308.99**	**(153.63)**
Opening cash and cash equivalents		**1,908.58**	**2,030.96**
Pursuant to business combination		-	28.47
Exchange fluctuation on foreign currency bank balances		(0.25)	2.78
Closing cash and cash equivalents (Refer Note 1.13 a)		**5,217.32**	**1,908.58**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Cash Flows referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 24, 2024
Bengaluru

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 24, 2024
Chennai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

1. **For the year ended March 31, 2024**

A. **Equity Share Capital**

₹ Crores

Balance as at the beginning of April 1, 2023	Changes in equity share capital during the year	Balance as at the end of March 31, 2024
293.61	0.02	293.63

B. **Other Equity**

₹ Crores

Particulars	Shares application money pending Allotment relating to a subsidiary	Reserves and Surplus							Items of Other comprehensive income				
		Capital Reserve	Securities Premium	Capital Redemption Reserve	Share Option Outstanding Account	General Reserve	Statutory Reserve	Retained Earnings	Foreign Currency Translation Reserve	Fair Valuation of Loan Relating to Financing Activities	Cash Flow Hedge Reserve	Attributable to owners of the Company	Non-controlling Interests
Balance as at the end of March 31, 2023	**0.04**	**263.87**	**2,544.36**	**3.33**	**42.50**	**1,020.55**	**306.17**	**3,716.59**	**(19.50)**	**362.51**	**17.73**	**8,258.15**	**2,244.05**
Profit for the year	-	-	-	-	-	-	-	2,483.52	-	-	-	2,483.52	212.82
Other comprehensive (loss) / income	-	-	-	-	-	-	-	(11.68)	(26.21)	347.74	(11.61)	298.24	224.96
Total Comprehensive Income / (Loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,471.84**	**(26.21)**	**347.74**	**(11.61)**	**2,781.76**	**437.78**
Transaction with owners													
Dividend paid / payable	-	-	-	-	-	-	-	(2,216.87)	-	-	-	(2,216.87)	-
Recognition of share based payments	-	-	-	-	6.91	-	-	-	-	-	-	6.91	-
On issue of shares / Pursuant to exercise of ESOP	0.50	-	2.14	-	-	-	-	-	-	-	-	2.64	-
Change in interests between the owners and NCI	-	-	(0.44)	-	-	-	(0.10)	(120.92)	(0.02)	(0.12)	-	(121.60)	128.14
Transfer to general reserve / securities premium pursuant to exercise of ESOP	-	-	0.80	-	(1.95)	1.15	-	-	-	-	-	-	-
Transfer to / from retained earnings	-	-	-	-	-	-	77.84	(77.84)	-	-	-	-	-
Balance as at the end of March 31, 2024	**0.54**	**263.87**	**2,546.86**	**3.33**	**47.46**	**1,021.70**	**383.91**	**3,772.80**	**(45.73)**	**710.13**	**6.12**	**8,710.99**	**2,809.97**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

2. For the year ended March 31, 2023

A. Equity Share Capital

₹ Crores

Balance as at the beginning of April 1, 2022	Changes in equity share capital during the year	Balance as at the end of March 31, 2023
293.55	0.06	293.61

₹ Crores

Particulars	Shares application money pending Allotment relating to a subsidiary	Reserves and Surplus							Items of Other comprehensive income				
		Capital Reserve	Securities Premium	Capital Redemption Reserve	Share Option Outstanding Account	General Reserve	Statutory Reserve	Retained Earnings	Foreign Currency Translation Reserve	Fair Valuation of Loan Relating to Financing Activities	Cash Flow Hedge Reserve	Attributable to owners of the Company	Non-controlling interests
Balance as at the beginning of April 1, 2022	-	**263.87**	**2,013.52**	**3.33**	**41.48**	**1,020.55**	**279.91**	**3,036.95**	**(8.76)**	**349.48**	**10.01**	**7,010.34**	**1,286.27**
(Loss) / Profit for the year	-	-	-	-	-	-	-	1,238.71	-	-	-	1,238.71	120.11
Other comprehensive (loss) / income	-	-	-	-	-	-	-	(5.25)	(12.18)	55.60	7.72	45.89	32.42
Total Comprehensive Income for the year	-	-	-	-	-	-	-	**1,233.46**	**(12.18)**	**55.60**	**7.72**	**1,284.60**	**152.53**
Transaction with owners								-					
Dividends	-	-	-	-	-	-	-	(293.55)	-	-	-	(293.55)	-
On issue of equity shares	0.04	-	543.72	-	-	-	-	-	-	-	-	543.76	-
Recognition of share based payments	-	-	-	-	1.87	-	-	-	-	-	-	1.87	-
Issue of equity shares to Non-controlling interest (NCI) and change in interests between the owners and NCI	-	-	(12.88)	-	(0.85)	-	(72.49)	(161.52)	1.44	(42.57)	-	(288.87)	805.25
Transfer to / from retained earnings	-	-	-	-	-	-	98.75	(98.75)	-	-	-	-	-
Balance as at the end of March 31, 2023	**0.04**	**263.87**	**2,544.36**	**3.33**	**42.50**	**1,020.55**	**306.17**	**3,716.59**	**(19.50)**	**362.51**	**17.73**	**8,258.15**	**2,244.05**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 24, 2024
Bengaluru

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 24, 2024
Chennai

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1A. General information

Background:

Ashok Leyland Limited ("the Parent Company") (CIN: L34101TN1948PLC000105) is a public limited company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). The Parent Company's registered office is situated at 1, Sardar Patel Road, Guindy, Chennai, Tamil Nadu, India. The Parent Company has fifteen subsidiaries, four joint ventures and three associates. The main activities of the Parent Company along with its subsidiaries, joint ventures and associates relate to manufacture, sale vehicle and housing finance, IT services and services related to a wide range of commercial vehicles. Also Refer Note 3.14. The Parent Company also manufactures engines for industrial and marine applications, forgings and castings. The Parent Company together with its subsidiaries is hereinafter referred to as the "Group".

1B. Basis of Preparation and Presentation

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, as amended from time to time.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

The consolidated financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest crores, except where otherwise indicated.

The consolidated financial statements were approved for issue by the Board of Directors on May 24, 2024.

Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

a) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

b) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

c) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

MCA notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2024.

1C. Material Accounting Policies

1C.1 Property, plant and equipment

Cost:

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses. Cost of all civil works (including electrification and fittings) is capitalised with the exception of alterations and modifications of a capital nature to existing structures where the cost of such alteration or modification is ₹100,000 and below.

Fixtures, plant and equipment (including patterns and dies) where the cost exceeds ₹10,000 and the estimated useful life is two years or more, is capitalised and stated at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses.

Depreciation/ amortisation:

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

Classes of Property, Plant and Equipment	Useful life (years)	Useful life (years) As per Schedule II
Buildings	10 - 60	30 / 60
Non-factory service installations:		
- In customer premises	12	10
Quality equipment, canteen assets, major Jigs and fixtures and hand tools	5 - 12	15
Other plant and machinery	2 - 21	15
Patterns and dies	5	15
Furniture and fittings	2 - 10	10
Aircraft	18	20
Vehicles (including given on lease):		
- Trucks and buses including electric vehicles	5 / 12	8
- Cars and motorcycles	3	8/10
Office equipment	5 - 8	5
Office equipment – Data processing system (including servers)	5	6

1C.2 Intangible assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately, where the cost exceeds ₹10,000 and the estimated useful life is two years or more, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from development phase of internal project) is recognised, if and only if, all of the following have been demonstrated:

- technical feasibility of completing the intangible asset;
- intention to complete the intangible asset and intention/ ability to use or sell it;
- how the intangible asset will generate probable future economic benefit;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the attributable expenditure during the development stage.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Useful lives of intangible assets:

Estimated useful lives of the intangible assets, based on technical assessment, are as follows:

Classes of Intangible Assets	Useful life (years)
Computer Software:	
Acquired	3-10
Developed	5/10
Technical Knowhow:	
Acquired	5/6
Developed	6/10
Customer relationships	7
Trademark	10

1C.3 Inventories

Cost of inventories are determined as follows:

- Raw materials and components, stores, spares, consumable tools, traded goods: on moving weighted average basis; and
- Work-in-progress, works-made components and finished goods: on moving weighted average basis plus appropriate share of overheads.

Cost of surplus/ obsolete/ slow moving inventories are adequately provided for.

1C.4 Revenue recognition

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Revenue from contract with customer:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of Products:

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product / based on terms on contract. The Group operates predominantly on cash and carry basis excepting sale to State Transport Undertaking (STU), Government project customers based on tender terms and certain export customers and domestic customers which are on credit basis. Sale of engines and gensets and ferrous castings are generally sold on credit basis to customers.

The Group provides retrospective rebates to certain customers based on achievement of targeted volumes and other measures. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., extended warranties, freight etc.). In determining the transaction price for the sale of product, the Group considers the effects of variable consideration, the existence of consideration payable to the customer, etc.

Sale of Service:

Revenue from services includes certain performance obligations which are recognised over a period of time as and when the services are rendered in accordance with the specific terms of contract with customer. The receipt of consideration for extended warranty services, free services, AMC and freight is generally received when consideration receivable from sale of products is received from customer. In certain cases, the AMC contracts are sold as a separate product on cash basis or on credit as per the contract with customer. On the recognition of the receivable from customer, the Group recognises a contract liability which is then recognised as revenue as once the services are rendered. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. For other cases, the revenue reflects the cash selling price that the customer would have paid for the promised services when the services are transferred to customer. Thus, there is no significant financing component.

Variable consideration:

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Incentives:

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Significant financing component:

The Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Thus, there is no significant financing component.

Warranty obligations:

Refer Note 1E.18 on warranty obligations.

Contract balances:

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

Trade receivable is part of contract balances as per Ind AS 115.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the services are provided as set out in the contract.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Interest / Finance Income relating to financing activities:

EIR Method

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

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

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

Interest Income

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

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

1C.5 Exceptional Items

The Group considers factors including materiality, the nature and function of the items of income and expense in determining exceptional item and discloses the same in Note 2.7 to the consolidated financial statements.

1D. Critical accounting judgments and key sources of estimation uncertainty:

The preparation of consolidated financial statements in conformity with Ind AS requires the Group's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the consolidated financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

The carrying amount of goodwill significant to the Group are stated in Note 3.14. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate which approximates the long term industry growth rates) and appropriate discount rates that reflects current market assessments of time value of money and risks specific to these investments. The Management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Impairment of financial asset relating to financing activities

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

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

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

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

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

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

Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, changes in the related laws / emission norms and losses associated with obsolete / slow-moving / redundant inventory items. The Group has, based on these assessments, made adequate provision in the books.

Taxation

Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the Management to estimate the level of tax that will be payable based upon the Group's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

Provision for product warranty

The Group's product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuations. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 3.6.

Business model assessment relating to financing activities

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

1E. Summary of other accounting polices

1E.1 Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and its subsidiaries. The Parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries.

When the Parent Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent Company considers all relevant facts and circumstances in assessing whether or not the Parent Company's voting rights in an investee are sufficient to give it power, including rights arising from other contractual arrangements.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Parent Company.

1E.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash-generating unit is determined for each legal entity and LCV division of Parent Company based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied.

The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1E.3 Business combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interest method in accordance with Ind AS 103 'Business Combinations'.

Other business combinations, involving entities or businesses are accounted for using acquisition method. Consideration transferred in such business combinations is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree.

Goodwill is recognised and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree, over the net fair value of assets and liabilities acquired.

1E.4 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

When there is any objective evidence of impairment, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the investment becomes a subsidiary, the Group accounts for its investment in accordance with Ind AS 103 'Business Combination'. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures it at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest is included in the determination of the gain or loss on disposal of the associate or joint venture.

1E.5 Revenue recognition

Other Operating Revenues:

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Group and is recognised when the right to receive the income is established as per the terms of the contract.

Dividend, Interest Income and Other Income:

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Fee on financial guarantee provided by the Parent Company is accrued as Other income.

1E.6 Foreign currency transactions

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in a foreign currency are restated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not restated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange difference on translation of derivative instruments designated as cash flow hedge (see Note 1E.17 below for hedging accounting policies).
- For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's entities whose functional currency is other than INR are translated into Currency Units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve (and attributed to non-controlling interests as appropriate).

1E.7 Borrowing costs:

Borrowing costs (General Borrowing and Specific Borrowing) directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1E.8 Government Grants

Government grants (including export incentives and incentives on specified goods manufactured in the eligible unit) are recognised only when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses, the related costs for which the grants are intended to compensate. Grant relating to assets are netted off against the acquisition cost of the asset.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured at the difference between proceeds received and the fair value of the loan based on prevailing market rates.

1E.9 Employee benefits

Retirement benefit costs and termination benefits:

Payments to defined contribution plans i.e., Group's contribution to superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

For defined benefit plans i.e. Group's liability towards gratuity (funded and unfunded), Group's contribution to provident fund, other retirement/ termination benefits and compensated absences, the cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. In respect of provident fund, contributions made to trusts administered by the Group, the interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be contributed by the Group and charged to the Statement of Profit and Loss.

Defined benefit costs are comprised of:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Group presents the first two components of defined benefit costs in consolidated profit & loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity and remeasurement of net defined liability pertaining to provident fund comprise of actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Liability for termination benefits like expenditure on Voluntary Retirement Scheme is recognised at the earlier of when the Group can no longer withdraw the offer of termination benefit or when the Group recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

1E.10 Share-based payment arrangements

Equity-settled share-based payments to employees (primarily employee stock option plan) are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding account.

1E.11 Property, plant and equipment

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and other direct costs and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment and accordingly depreciation is computed based on the estimated useful lives of the assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1E.12 Intangible assets

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

1E.13 Impairment losses

At the end of each reporting period, the Group determines whether there is any indication that its assets (tangible, intangible assets and investments in equity instruments in joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets under development are tested for impairment annually at each balance sheet date.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount carried had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1E.14 Leases

The Indian Accounting Standard on leases (Ind AS 116) requires entity to determine whether a contract is or contains a lease at the inception of the contract.

Ind AS 116 requires lessee to recognise a liability to make lease payments and an asset representing the right-of-use asset during the lease term for all leases except for short term leases and leases of low-value assets, if they choose to apply such exemptions.

Payments associated with short-term leases and low value assets are recognized as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise of office equipments and small items of plant and equipment and office furniture.

At the commencement date, The Group recognises a right-of-use asset measured at cost and a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The cost of the right-of-use asset comprise of, the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received.

At the commencement date, the lease payments included in the measurement of the lease liability comprise (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable by the lessee under residual value guarantees;(d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Depreciation on Right to use asset recognised in statement of profit and Loss on a straight line basis over the period of lease and the Group separately recognises interest on lease liability as a component of finance cost in statement of profit and Loss.

1E.15 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost of raw materials and components, stores, spares, consumable tools and traded goods (stock in trade) comprises cost of purchases and includes taxes and duties and is net of eligible credits under CENVAT/ VAT/GST schemes. Cost of work-in-progress, work-made components and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overheads, which is allocated on a systematic basis. Cost of inventories also includes all other related costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1E.16 Segment reporting

The Group's operating segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system as per Ind AS 108. The Group is engaged in the business of manufacturing of Commercial Vehicles and rendering Financial Services mainly relating to vehicle and housing financing.

1E.17 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification of financial assets

The financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (except for financial assets carried at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement:

(i) Financial assets (other than investments and derivative instruments) are subsequently measured at amortised cost using the effective interest method.

Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost.

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding

Income on such debt instruments is recognised in profit or loss and is included in the "Other Income".

The Group has not designated any debt instruments as fair value through other comprehensive income except in case of debt instruments relating to financing activities.

(ii) Financial assets (i.e. derivative instruments and investments in instruments other than equity of joint ventures and associates) are subsequently measured at fair value.

Such financial assets are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss and included in the "Other Income".

Investments in equity instruments of joint ventures and associates

The Group measures its investments in equity instruments of joint ventures and associates at cost in accordance with Ind AS 27 and Ind AS 110.

Financial assets relating to financing activities:

Business model assessment

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

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

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

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

c) How managers of the business are compensated for example, whether the compensation is based on the fair value of the assets managed.

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

Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

Accordingly, financial assets are measured as follows:

a) Financial assets carried at amortised cost (AC)

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

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

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

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

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

d) Other equity investments

   All other equity investments are measured at fair value, with value changes recognised in Other Comprehensive Income.

Impairment of financial asset relating to financing activities:

a) **Overview of Expected Credit Loss (ECL) principles**

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

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

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

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

Both Life Time Expected Credit Loss (LTECL) and 12 months ECLs are calculated on collective basis.

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

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

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

Stage 3:
Loans considered credit impaired are the loans which are past due for more than 90 days. The Group records an allowance for life time ECL.

Loan commitments:

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

b) Calculation of ECLs

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

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

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

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

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

The mechanics of the ECL method are summarised below:

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

Stage 2:

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

Stage 3:

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

c) Loans and advances measured at FVOCI

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

d) Forward looking information

The Company considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, Inflation etc., as considered relevant so as to determine the impact of macro-economic factors on the Company's ECL estimates.

The inputs and models used for calculating ECLs are recalibrated periodically through the use of available incremental and recent information. Further, internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Write-offs

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

De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Consolidated Statement of profit and loss.

De-recognition of financial assets relating to financing activities

➢ De-recognition of financial assets due to substantial modification of terms and conditions

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

➢ De-recognition of financial assets other than due to substantial modification

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

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

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

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities (other than derivative instruments) are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Interest expense that is not capitalised as part of cost of an asset is included in the "Finance Costs".

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured (if not designated as at FVTPL) at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps. Further details of derivative financial instruments are disclosed in Note 3.6.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

As of the transition date, the Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed on the later of the date of it first becoming a party to the contract and the date when there has been change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk, as either fair value hedges, cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 3.6 sets out details of the fair values of the derivative instruments used for hedging purposes.

Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the "Other Income" line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and are included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

1E.18 Provisions and Contingent liabilities

Provisions:

Provisions are recognised when the Group has a present obligation (legal, contractual or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Warranties:

Provisions for expected cost of warranty obligations under legislation governing sale of goods are recognised on the date of sale of the relevant products at the Management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.

Contingent liabilities:

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

1E.19 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax:

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted. Foreign companies recognise tax assets / liabilities in accordance with applicable local laws.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits (Minimum alternate tax credit entitlement) to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Uncertainty over income tax treatments

If there is uncertainty over tax treatment of an item, Group will predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amounts of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. If it is not probable that tax authority will accept the tax treatment, Group will show the effect of the uncertainty for each uncertain tax treatment by using either the most likely outcome or the expected outcome of the uncertainty.

1E.20 Asset held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and disclosed separately in balance sheet. Liabilities associated with assets classified as held for sale are estimated and disclosed separately in the balance sheet.

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)						DEPRECIATION						NET CARRYING AMOUNT
Property, Plant and Equipment (PPE)	01.04.2023	Additions	Adjustments*	Reclassified as assets held for Sale (Refer Note 1.17A)	Disposals / Adjustments	31.03.2024	01.04.2023	Charge during the year	Adjustments*	Reclassified as assets held for Sale (Refer Note 1.17A)	Disposals / Adjustments	31.03.2024	31.03.2024
Freehold land	830.82	0.35	0.21	-	-	831.38	-	-	-	-	-	-	831.38
Buildings	2,021.37	67.07	3.63	-	(0.93)	2,091.14	547.99	80.67	0.91	-	(0.48)	629.09	1,462.05
Buildings given on lease	13.24	-	-	-	-	13.24	2.08	0.29	-	-	-	2.37	10.87
Plant and equipment	6,016.17	169.35	19.21	-	(49.40)	6,155.33	3,306.93	451.07	16.52	-	(44.58)	3,729.94	2,425.39
Plant and equipment given on lease	0.04	-	-	-	-	0.04	0.02	#	-	-	-	0.02	0.02
Furniture and fittings	130.16	12.08	6.15	-	(0.94)	147.45	94.19	9.05	6.41	-	(0.91)	108.74	38.71
Furniture and fittings given on lease	0.25	-	-	-	-	0.25	0.25	-	-	-	-	0.25	-
Vehicles including electric vehicles	297.11	332.29	(5.34)	(81.06)	(39.26)	503.74	96.55	44.82	(2.12)	(7.65)	(13.72)	117.88	385.86
Aircraft given on lease	77.99	-	-	-	-	77.99	63.91	6.65	-	-	-	70.56	7.43
Commercial vehicles given on lease	14.96	209.46	-	-	-	224.42	0.11	18.44	-	-	-	18.55	205.87
Office Equipment	272.30	65.55	1.94	-	(3.73)	336.06	199.06	35.54	0.36	-	(2.91)	232.05	104.01
Electrical and other installations on lease hold premises	1.50	0.06	-	-	-	1.56	1.21	0.04	-	-	-	1.25	0.31
TOTAL	**9,675.91**	**856.21**	**25.80**	**(81.06)**	**(94.26)**	**10,382.60**	**4,312.30**	**646.57**	**22.08**	**(7.65)**	**(62.60)**	**4,910.70**	**5,471.90**

Description	01.04.2023	Additions / Adjustments	Capitalised during the year**	31.03.2024
Capital work-in-progress (CWIP)	139.15	608.56	(577.53)	**170.18**

* Adjustments include currency movements relating to foreign operations.

** Amount of ₹ 278.68 crores directly capitalised in Property, plant and equipment.

CWIP Ageing Schedule

₹ Crores

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	152.32	6.95	0.38	10.53	**170.18**

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion (temporarily suspended) is delayed is as follows:

Particulars	To be Completed In				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project relating to certain facilities / infrastructure development	10.44	-	-	-	**10.44**

amount is below rounding off norms adopted by the Group.

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (Contd.)

Title deeds of Freehold land not held in the name of the Group

₹ Crores

Sl No	Property Description	Asset Class	Address	Total Acres (Approx.)	Gross / Net carrying value (Refer Sub-Note 6 below)	Reason for not in the name of the Parent Company	Property in the name of
1	Ennore, Tamil Nadu	Freehold Land	Kathivakkam High Road, Ennore, Chennai 600 057	35.22	81.00	This land was acquired from Hinduja Foundries Limited by the Parent Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
2	Uppal, Telangana	Freehold Land	Industrial Development Area, Uppal, Ranga Reddy District, Telangana	15.36	123.00	This land was acquired from Hinduja Foundries Limited by the Parent Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
3	Mallavalli, Andhra Pradesh	Freehold Land	Plot no. 2 & 3 of Model Industrial Park situated at Mallavalli Village, Bapulapadu Mandal, Krishna District	75.00	13.02	The Agreement for Sale has been registered in the name of the Parent Company. The Conveyance Deed is to be executed by the Authority upon fulfillment of the certain conditions by the Parent Company.	Agreement for sale registered in the name of the Parent Company. Final Conveyance deed is to be executed.

Notes:

1. Cost of Buildings pertaining to Parent Company as at March 31, 2024 includes:
   a) ₹ 0.03 crores being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.
   b) ₹ 1.32 crores representing cost of residential flats including undivided interest in land.
2. For details of assets given as security against borrowings, Refer Note 3.13.
3. For amount of contractual commitments for the acquisition of PPE, Refer Note 3.12 (a).
4. Title to Freehold Land relating to a subsidiary at Jainamore, Jharkhand (carrying value ₹ 0.08 Crores) is yet to be conveyed to the subsidiary.
5. Expenses capitalised ₹ Nil - Refer Notes 2.3, 2.4 and 2.6 to the Consolidated Financial statements.
6. The gross carrying value and net carrying value of buildings located on freehold and leasehold land for which title is yet to be transferred in the name of the Parent Company amounts to ₹ 233.82 crores and ₹ 189.88 crores respectively.

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)						DEPRECIATION					NET CARRYING AMOUNT
Property, Plant and Equipment (PPE)	01.04.2022	Additions	Acquisition through business combination (Refer Note 3.18)	Adjustments*	Disposals / Adjustments	31.03.2023	01.04.2022	Charge during the year	Adjustments*	Disposals / Adjustments	31.03.2023	31.03.2023
Freehold land	779.07	42.55	6.26	2.94	-	830.82	-	-	-	-	-	830.82
Buildings	1,961.63	44.39	12.13	10.46	(7.24)	2,021.37	468.18	84.30	2.74	(7.23)	547.99	1,473.38
Buildings given on lease	13.24	-	-	-	-	13.24	1.79	0.29	-	-	2.08	11.16
Plant and equipment	5,717.80	293.94	17.29	7.03	(19.89)	6,016.17	2,854.52	464.60	5.08	(17.27)	3,306.93	2,709.24
Plant and equipment given on lease	0.04	-	-	-	-	0.04	0.02	#	-	-	0.02	0.02
Furniture and fittings	117.25	6.11	7.36	1.35	(1.91)	130.16	86.45	8.31	1.23	(1.80)	94.19	35.97
Furniture and fittings given on lease	0.25	-	-	-	-	0.25	0.25	-	-	-	0.25	-
Vehicles including electric vehicles	139.58	164.33	0.05	1.20	(8.05)	297.11	87.31	15.76	0.93	(7.45)	96.55	200.56
Aircraft given on lease	77.99	-	-	-	-	77.99	54.17	9.74	-	-	63.91	14.08
Commercial vehicles given on lease	-	14.96	-	-	-	14.96	-	0.11	-	-	0.11	14.85
Office Equipment	240.97	41.44	1.93	(7.36)	(4.68)	272.30	178.28	29.15	(4.29)	(4.08)	199.06	73.24
Electrical and other installations on lease hold premises	1.47	0.03	-	-	-	1.50	1.17	0.04	-	-	1.21	0.29
TOTAL	**9,049.29**	**607.75**	**45.02**	**15.62**	**(41.77)**	**9,675.91**	**3,732.14**	**612.30**	**5.69**	**(37.83)**	**4,312.30**	**5,363.61**

Description	01.04.2022	Additions / Adjustments	Capitalised during the year**	31.03.2023
Capital work-in-progress (CWIP)	139.38	571.22	(571.45)	**139.15**

* Adjustments include currency movements relating to foreign operations.
** Amount of ₹ 36.30 crores directly capitalised in Property, plant and equipment.

CWIP Ageing Schedule

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	124.77	3.8	0.42	10.16	**139.15**

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion (temporarily suspended) is delayed is as follows:

Particulars	To be Completed In				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project relating to certain facilities / infrastructure development	10.44	-	-	-	**10.44**

amount is below rounding off norms adopted by the Group.

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (Contd.)

Title deeds of Freehold land not held in the name of the Group

₹ Crores

Sl No	Property Description	Asset Class	Address	Total Acres (Approx.)	Gross / Net carrying value (Refer Sub-Note 6 below)	Reason for not in the name of the Parent Company	Property in the name of
1	Ennore, Tamil Nadu	Freehold Land	Kathivakkam High Road, Ennore, Chennai 600 057	35.22	81.00	This land was acquired from Hinduja Foundries Limited by the Parent Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
2	Uppal, Telangana	Freehold Land	Industrial Development Area, Uppal, Ranga Reddy District, Telangana	15.36	123.00	This land was acquired from Hinduja Foundries Limited by the Parent Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
3	Mallavalli, Andhra Pradesh	Freehold Land	Plot no. 2 & 3 of Model Industrial Park situated at Mallavalli Village, Bapulapadu Mandal, Krishna District	75.00	13.02	The Agreement for Sale has been registered in the name of the Parent Company. The Conveyance Deed is to be executed by the Authority upon fulfillment of the certain conditions by the Parent Company.	Agreement for sale registered in the name of the Parent Company. Final Conveyance deed is to be executed.

Notes:

1. Cost of Buildings pertaining to Parent Company as at March 31, 2023 includes:
   a) ₹ 0.03 crores being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.
   b) ₹ 1.32 crores representing cost of residential flats including undivided interest in land.
2. For details of assets given as security against borrowings, Refer Note 3.13.
3. For amount of contractual commitments for the acquisition of PPE, Refer Note 3.12 (a).
4. Title to Freehold Land relating to a subsidiary at Jainamore, Jharkhand (carrying value ₹ 0.08 Crores) is yet to be conveyed to the subsidiary
5. Expenses capitalised ₹ Nil - Refer Notes 2.3, 2.4 and 2.6 to the Consolidated Financial statements.
6. The gross carrying value and net carrying value of buildings located on freehold and leasehold land for which title is yet to be transferred in the name of the Parent Company amounts to ₹ 221.78 crores and ₹ 186.61 Crores respectively.

1.1a RIGHT-OF-USE ASSET

₹ Crores

DESCRIPTION	Net Carrying Amount 01.04.2023	Additions	Adjustments**	Closure / Preclosure	Depreciation	Net Carrying Amount 31.03.2024
Leasehold land	212.05	6.70	0.16	-	3.80	215.11
Buildings	121.08	15.32	1.28	0.18	32.83	104.67
Plant and equipment	5.46	0.10	-	-	0.89	4.67
Vehicles	10.87	0.58	0.06	-	5.71	5.80
Computer software	49.88	42.70	-	8.92	18.64	65.02
TOTAL	**399.34**	**65.40**	**1.50**	**9.10**	**61.87**	**395.27**

** Adjustments include currency movements relating to foreign operations.

Title deeds of leasehold land not held in the name of the Group

₹ Crores

SL No	Property Description	Asset Class	Address	Total Acres (Approx)	Gross carrying value* (Refer Note 1.1 Sub-Note 6)	Net carrying value *(Refer Note 1.1 Sub-Note 6)	Reason for not in the name of the Parent Company	Property in the name of
1.	Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.48	The leasehold rights were originally granted to Hinduja Foundries Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Parent Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
2.	Pillaipakkam, Tamil Nadu (Refer Sub-Note 6)	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	113.00	48.96	45.87	The leasehold rights were originally granted to Ashok Leyland Nissan Vehicles Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Parent Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Ashok Leyland Nissan Vehicles Limited (merged with Ashok Leyland Limited)
3.	Bhandara, Maharashtra	Leasehold Land	P O Box 15, Plot No.1, MIDC Industrial Area, Gadegao Lakhani Taluk, Bhandara, Maharashtra	15.82	0.01	0.01	This is a land leased to the Parent Company by the Maharashtra Industrial development Corporation. However, a portion of the land (6.40 hectares) occupied and used by the Parent Company for factory building has been considered unauthorised being a Forest Land. The Parent Company had approached the Mumbai High Court and subsequently pursuant to its orders has applied for the regularisation of the said portion of forest land in exchange of alternate land for afforestation.	Ashok Leyland Limited (under regularisation)

* excludes security deposit

Notes:

1. Escalation clause - the percentage of escalation is up to a maximum of 15%
2. Discounting rate used for the purpose of computing right to use asset ranges from 2.00% to 9.75%
3. Rental amount per annum ranges from ₹ 0.01 crores to ₹ 6.58 crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
4. The lease period ranges from 2 years to 90 years over which the right to use asset is depreciated on a straight line basis.
5. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.
6. During the year ended March 31, 2023, a portion of leasehold land was surrendered to State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) and surrender value was received by the Parent Company. The Parent Company is in the process of registering the modified lease deed for the balance portion of leasehold land.

1.1a RIGHT-OF-USE ASSET

₹ Crores

DESCRIPTION	Net Carrying Amount 01.04.2022	Additions	Adjustments**	Closure / Preclosure	Depreciation	Net Carrying Amount 31.03.2023
Leasehold land	269.42	-	0.92	54.15	4.14	212.05
Buildings	99.02	57.95	(0.37)	0.37	35.15	121.08
Plant and equipment	6.46	-	-	-	1.00	5.46
Vehicles	16.45	1.46	0.07	-	7.11	10.87
Computer software	35.94	32.48	-	4.92	13.62	49.88
TOTAL	**427.29**	**91.89**	**0.62**	**59.44**	**61.02**	**399.34**

** Adjustments include currency movements relating to foreign operations.

Title deeds of leasehold land not held in the name of the Group

₹ Crores

SL No	Property Description	Asset Class	Address	Total Acres (Approx)	Gross carrying value* (Refer Note 1.1 Sub-Note 6)	Net carrying value* (Refer Note 1.1 Sub-Note 6)	Reason for not in the name of the Parent Company	Property in the name of
1.	Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.63	The leasehold rights were originally granted to Hinduja Foundries Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Parent Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
2.	Pillaipakkam, Tamil Nadu (Refer Sub-Note 6)	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	113.00	48.96	46.38	The leasehold rights were originally granted to Ashok Leyland Nissan Vehicles Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Parent Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Ashok Leyland Nissan Vehicles Limited (merged with Ashok Leyland Limited)
3.	Bhandara, Maharashtra	Leasehold Land	P O Box 15, Plot No.1, MIDC Industrial Area, Gadegao Lakhani Taluk, Bhandara, Maharashtra	15.82	0.01	0.01	This is a land leased to the Parent Company by the Maharashtra Industrial development Corporation. However, a portion of the land (6.40 hectares) occupied and used by the Parent Company for factory building has been considered unauthorised being a Forest Land. The Parent Company had approached the Mumbai High Court and subsequently pursuant to its orders has applied for the regularisation of the said portion of forest land in exchange of alternate land for afforestation.	Ashok Leyland Limited (under regularisation)

* excludes security deposit

Notes:

1. Escalation clause - the percentage of escalation is up to a maximum of 15%
2. Discounting rate used for the purpose of computing right to use asset ranges from 2.00% to 8.50%
3. Rental amount per annum ranges from ₹ 0.01 crores to ₹ 5.00 crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
4. The lease period ranges from 2 years to 90 years over which the right to use asset is depreciated on a straight line basis.
5. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.
6. During the year a portion of leasehold land has been surrendered to State Industries Promotion Corporation of Tamil Nadu (SIPCOT) and surrender value is received by the Parent Company. The Parent Company is in the process of registering the modified lease deed for the balance portion of leasehold land.
7. The lease agreements is for composite use of infrastructure and there is no segregation between the use of the class of underlying assets.

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)					AMORTISATION					NET CARRYING AMOUNT
Other Intangible Assets	01.04.2023	Additions	Adjustments*	Disposals	31.03.2024	01.04.2023	Charge during the year	Adjustments*	Disposals	31.03.2024	31.03.2024
Computer software											
- Developed	114.57	3.23	-	-	117.80	110.52	2.17	0.02	-	112.71	5.09
- Acquired	209.63	22.86	1.73	-	234.22	177.32	14.65	0.48	-	192.45	41.77
Technical knowhow (Includes Product Development)											
- Developed	1,821.44	80.87	23.52	-	1,925.83	793.95	178.94	14.55	-	987.44	938.39
- Acquired	68.93	-	-	-	68.93	23.13	13.00	(0.71)	-	35.42	33.51
Customer relationships	60.99	-	2.03	-	63.02	2.49	7.72	0.16	-	10.37	52.65
Trademark	23.38	-	0.78	-	24.16	0.76	2.37	0.08	-	3.21	20.95
TOTAL	**2,298.94**	**106.96**	**28.06**	**-**	**2,433.96**	**1,108.17**	**218.85**	**14.58**	**-**	**1,341.60**	**1,092.36**

Description	01.04.2023	Additions / Adjustments	Impairment (Refer Note 2.7)	Capitalised during the year ** / #	31.03.2024
Intangible assets under development	128.97	236.00	(18.28)	(102.05)	**244.64**

\# includes acquired computer software.
** Amount of ₹ 4.91 crores directly capitalised in Intangible assets.
* Adjustments include currency movements relating to foreign operations.

Ageing of Intangible assets under development (IAUD)

Particulars	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	155.91	68.95	15.06	4.72	**244.64**

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion is delayed (includes temporarily suspended projects) is as follows:

Particulars	To be Completed In				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects relating to Technical knowhow - Product development	48.94	-	-	-	**48.94**

Notes:

1. Additions to Other Intangible assets and Intangible assets under development include:

   a) Expenses capitalised ₹125.62 crores - Refer Notes 2.3, 2.4 and 2.6 to the Consolidated Financial Statements.

2. For amount of contractual commitments for the acquisition of intangible assets, Refer Note 3.12 (a).

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)						AMORTISATION					NET CARRYING AMOUNT
Other Intangible Assets	01.04.2022	Additions	Acquisition through business combination (Refer Note 3.18)	Adjustments*	Disposals / Adjustments	31.03.2023	01.04.2022	Charge during the year	Adjustments*	Disposals / Adjustments	31.03.2023	31.03.2023
Computer software												
- Developed	114.57	-	-	-	-	114.57	105.08	5.44	-	-	110.52	4.05
- Acquired	181.75	17.53	5.08	10.54	(5.27)	209.63	153.11	17.08	7.32	(0.19)	177.32	32.31
Technical knowhow (Includes Product Development)												
- Developed	1,649.82	159.36	-	13.02	(0.76)	1,821.44	595.95	192.53	6.23	(0.76)	793.95	1,027.49
- Acquired	40.48	28.09	-	0.36	-	68.93	14.17	8.60	0.36	-	23.13	45.80
Customer relationships	-	-	60.99	-	-	60.99	-	2.49	-	-	2.49	58.50
Trademark	-	-	23.38	-	-	23.38	-	0.76	-	-	0.76	22.62
TOTAL	**1,986.62**	**204.98**	**89.45**	**23.92**	**(6.03)**	**2,298.94**	**868.31**	**226.90**	**13.91**	**(0.95)**	**1,108.17**	**1,190.77**

Description	01.04.2022	Additions / Adjustments	Capitalised during the year ** / #	31.03.2023
Intangible assets under development	100.63	227.66	(199.32)	128.97

includes acquired computer software.
** Amount of ₹ 5.66 crores directly capitalised in Intangible assets.
* Adjustments include currency movements relating to foreign operations.

Ageing of Intangible assets under development (IAUD)

Particulars	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	47.53	17.01	3.16	-	**67.70**
Projects temporarily suspended	36.04	3.63	-	21.60	**61.27**

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion is delayed (includes temporarily suspended projects) is as follows:

Particulars	To be Completed In				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects relating to Technical knowhow - Product development	46.37	-	-	-	**46.37**

Notes:

1. Additions to Other Intangible assets and Intangible assets under development include:

   a) Expenses capitalised ₹ 201.22 crores - Refer Notes 2.3, 2.4 and 2.6 to the Consolidated Financial Statements.

2. For amount of contractual commitments for the acquisition of intangible assets, Refer Note 3.12 (a).

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Description	As at March 31, 2024 Nos.	As at March 31, 2024 ₹ Crores	As at March 31, 2023 Nos.	As at March 31, 2023 ₹ Crores
I) Investment in Equity Instruments (unquoted / fully paid up unless otherwise stated)				
1) Associates (accounted for using equity method)				
a) Equity Shares of ₹ 10 each				
Ashok Leyland Defence Systems Limited (Refer Sub-Note 3)				
Cost of Acquisition (including goodwill of ₹0.02 crores)	79,92,218	25.39	50,27,567	5.03
Add : Group share of profit		15.59		10.06
Less: Dividend Income		-		0.60
Carrying amount of Investment		**40.98**		**14.49**
Mangalam Retail Services Limited				
Cost of Acquisition (including goodwill of ₹0.01 crores)	37,470	0.04	37,470	0.04
Add : Group share of Profit		#		#
Carrying amount of Investment		**0.04**		**0.04**
b) Equity shares of Srilankan Rupees 10 each				
Lanka Ashok Leyland PLC (Quoted)				
Cost of Acquisition (including goodwill of ₹0.21 crores)	10,08,332	0.57	10,08,332	0.57
Add : Group share of Profit		30.58		20.93
Less: Dividend Income		0.12		0.22
Carrying amount of Investment		**31.03**		**21.28**
2) Joint Ventures (accounted for using equity method)				
a) Equity Shares of ₹ 10 each				
Ashley Alteams India Limited (Refer Sub-Note 3)				
Cost of Acquisition	7,59,47,500	46.51	7,59,47,500	46.51
Less : Group share of Loss		25.05		33.98
Carrying amount of Investment		**21.46**		**12.53**
Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)				
Cost of Acquisition	1,77,92,123	17.81	1,77,92,123	17.81
Less : Group share of Loss		11.27		11.27
Less: Impairment in value of investment		6.54		6.54
Carrying amount of Investment		**-**		**-**
TVS Trucks and Buses Private Limited				
Cost of Acquisition	2,49,50,000	24.95	-	-
Less : Group share of Loss		1.80		-
Carrying amount of Investment		**23.15**		**-**
b) Equity Shares of GBP 1 each				
Zebeyond Limited				
Cost of Acquisition	150	8.84	150	8.84
Less : Group share of Loss		3.65		0.45
Carrying amount of Investment		**5.19**		**8.39**
3) Other investments in equity instruments (at fair value through profit or loss)				
a) Equity Shares of ₹ 10 each				
Rajalakshmi Wind Energy Limited (formerly Ashok Leyland Wind Energy Limited)	78,12,950	9.12	78,12,950	9.12
Chennai Willingdon Corporate Foundation (Cost ₹ 900)	100	#	100	#
Hinduja Energy (India) Limited (Refer Sub-Note 7)	6,11,47,058	22.01	6,11,47,058	147.00
Kamachi Industries Limited	5,25,000	-	5,25,000	-
Prathama Solarconnect Energy Private Limited	1,86,56,912	18.67	1,86,56,912	18.67
HR Vaigai Private Limited (Cost ₹ 26,000)	2,600	#	2,600	#
b) Equity shares of ₹ 100 each partly paid-up				
Adyar Property Holding Co. Limited (₹ 65 paid up) [Cost ₹ 19,500] (Refer Note 3.12 (c))	300	#	300	#
Total Investment in Equity Instruments (net) A		**171.65**		**231.52**

Description			As at March 31, 2024		As at March 31, 2023	
			Nos.	₹ Crores	Nos.	₹ Crores
II)	**Investment in Preference Shares (unquoted)**					
	Associates (accounted for using equity method)					
	6% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 10 each					
	Ashok Leyland Defence Systems Limited	B	1,00,00,000	7.27	1,00,00,000	6.93
III)	**Investment in Debentures (unquoted)**					
	Non-convertible Redeemable Debentures (relating to financing activities) (at amortised cost)	C		63.12		57.40
IV)	**Investment in Debentures (quoted)**					
	Non-convertible Redeemable Debentures (relating to financing activities) (at amortised cost)	D		291.24		54.18
V)	**Investment in pass-through securities (unquoted) (relating to financing activities) (at amortised cost)**	E		22.90		57.43
VI)	**Investment in funds and Government securities (relating to financing activities) (unquoted) (at amortised cost)**	F		115.04		172.35
VII)	**Investment in Security Receipts (relating to financing activities) (unquoted) (measured at fair value through profit and loss)**	G		552.68		699.82
VIII)	**Investment in Equity Shares (relating to financing activities) (quoted) (measured at fair value through profit and loss)**	H		56.50		36.73
IX)	**Investment in Special Limited Partnership (At Fair value through profit or loss)**					
	Vasuki SCSp (Refer Sub-Note 5)	I		25.02		24.65
Total Non-Current Investments		**A+B+C+D+E+F+G+H+I**		**1,305.42**		**1,341.01**

Amount is below rounding off norms adopted by the Group.

Notes:

1.

Particulars	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
Aggregate value of quoted investments	378.77	112.19
Aggregate value of unquoted investments	933.19	1,235.36
Aggregate value of impairment in value of investments	6.54	6.54

2. Investments are fully paid-up shares unless otherwise stated.
3. The equity investments in a joint venture company can be transferred / pledged / disposed off / encumbered only with the consent of banks / financial institutions who have given loans to the joint venture company. The equity investments in an associate can be disposed off only with the consent of banks / financial institutions who have given loans to these companies.
4. Number of shares held by the Group includes joint holding / beneficial holding.
5. The Group holds 9.09% of Class A units in the special limited partnership.
6. The investments made by the Group is in compliance with section 180 and 186 with respect to layers of investment permitted under the Companies Act, 2013.
7. The Parent Company has recorded a loss on fair valuation of equity investment in Hinduja Energy (India) Limited (HEIL) amounting to ₹ 124.99 crores (March 31, 2023: gain on fair valuation ₹ 65.67 crores) under exceptional item based on business plan of HEIL, external factors and the independent valuers report. The discounted cash flow method uses post tax discount rate of 11.60% (March 31, 2023 : 11.70%). Both pre tax discount rate and post tax discount rate gives the same recoverable amount. Also refer note 3.6.4 (B).

		As at March 31, 2024	As at March 31, 2023
		₹ Crores	₹ Crores
1.4	**NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**		
	(Unsecured, considered good)		
	Related parties (Refer Note 3.9)	0.25	0.63
	Others	2.30	2.21
		2.55	**2.84**

Refer Note 1.12 for ageing of trade receivables

Note:

These are carried at amortised cost.

		As at March 31, 2024	As at March 31, 2023
		₹ Crores	₹ Crores
1.5	**NON-CURRENT FINANCIAL ASSETS - LOANS**		
	(Secured, Considered good unless otherwise stated)		
	Loan to customer under financing activities		
	Considered good	26,520.84	19,219.26
	Considered doubtful	1,473.12	741.44
		27,993.96	**19,960.70**
	Less: Allowance for loans (as per expected credit loss model)	600.72	314.32
		27,393.24	**19,646.38**

Notes:

1.	Loan to customer under financing activities carried at fair value through other comprehensive income	15,912.42	9,543.45

2. These are carried at amortised cost except Note 1 above.
3. Refer Note 3.6 for disclosures relating to expected credit loss.
4. There are no loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are repayable on demand and that are without specifying any terms or period of repayment.
5. Movement in allowance for loans is as follows:

	Opening	Addition / Utilisations (Net)	Closing
March 2024	314.32	286.40	600.72
March 2023	443.30	(128.98)	314.32

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.6	**NON-CURRENT - OTHER FINANCIAL ASSETS (Unsecured, considered good unless otherwise stated)**		
	a) Other receivables *		
	Considered doubtful	3.95	3.99
	Less: Allowance for doubtful receivables	3.95	3.99
		-	-
	b) Security Deposits		
	Considered good	62.71	50.53
	Considered doubtful	1.67	0.75
	Less: Allowance for doubtful receivables	1.67	0.75
		62.71	**50.53**
	c) Derivatives designated as hedging instruments carried at fair value	4.48	43.14
	d) Bank deposits with remaining maturity of greater than 12 months	23.15	-
	e) Others		
	i) Employee advances	1.96	0.94
	ii) Other advances (including paid under protest and items relating to financing activities)	426.08	401.60
		518.38	**496.21**

* Includes receivable on sale of windmill undertaking of the Parent Company.

Notes:

1. These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss /other comprehensive income.
2. Movement in allowance for doubtful other receivables is as follows:

Particulars	March 2024	March 2023
Opening balance	3.99	3.99
Add: Additions	-	-
Less: Utilisations / Reversals	0.04	-
Closing balance	3.95	3.99

3. Movement in allowance for doubtful security deposits is as follows:

Particulars	March 2024	March 2023
Opening balance	0.75	0.57
Add: Additions	1.15	0.35
Less: Utilisations / Reversals	0.23	0.17
Closing balance	1.67	0.75

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2024	As at March 31, 2023
		₹ Crores	₹ Crores
1.7	**DEFERRED TAX ASSETS (NET)**		
	i) Deferred tax assets	107.12	54.07
	ii) Deferred tax (liabilities)	(41.77)	(4.99)
		65.35	**49.08**

		As at March 31, 2024	As at March 31, 2023
		₹ Crores	₹ Crores
1.8	**NON-CURRENT INCOME TAX ASSETS (NET)**		
	Advance income tax (net of provision)	181.70	222.10
		181.70	**222.10**

		As at March 31, 2024	As at March 31, 2023
		₹ Crores	₹ Crores
1.8a	**CURRENT TAX ASSETS**		
	Advance income tax (net of provision)	3.85	1.84
		3.85	**1.84**

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.9 OTHER NON-CURRENT ASSETS (Unsecured, considered good unless otherwise stated)		
a) Capital Advances		
i) Advances to related parties (Refer Note 3.9)	1.83	-
ii) Others		
Considered good	126.63	43.98
Considered doubtful	1.65	1.66
Less: Allowance for doubtful advances	1.65	1.66
	126.63	**43.98**
b) Balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc.(including paid under protest)		
Considered good	126.04	5.98
Considered doubtful	3.40	2.96
Less: Allowance for doubtful balances	2.96	2.96
	126.48	**5.98**
c) Others		
i) Sales tax paid (including paid under protest)	212.25	213.53
ii) Other advances (includes prepaid expenses, etc.)	28.76	67.03
	241.01	**280.56**
	495.95	**330.52**

Notes:

1. Movement in Allowance for doubtful advances towards capital advances is as follows:

Particulars	March 2024	March 2023
Opening balance	1.66	0.82
Add: Additions	-	0.84
Less: Utilisations / Reversals	0.01	-
Closing balance	1.65	1.66

2. Movement in Allowance for doubtful balances towards balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc. is as follows:

Particulars	March 2024	March 2023
Opening balance	2.96	2.96
Add: Additions	-	-
Less: Utilisations	-	-
Closing balance	2.96	2.96

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

			As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.10	**INVENTORIES**			
	a)	Raw materials and components	1,448.77	1,482.83
	b)	Work-in-progress	431.10	332.98
	c)	Finished goods	1,670.63	1,237.92
	d)	Stock-in-trade		
		i) Commercial vehicles	14.30	8.87
		ii) Spare parts and auto components (including works made)	302.46	281.64
	e)	Stores, spares and consumable tools	140.75	96.19
			4,008.01	**3,440.43**

Notes:

1. Goods-in-transit included above are as follows:

		March 2024	March 2023
a)	Raw materials and components	174.78	43.72
b)	Stock-in-trade		
	(i) Commercial vehicles	12.48	8.39
	(ii) Spares parts and auto components (including works made)	8.46	2.81

2. Cost of inventories (including cost of stock-in-trade purchased and write down of inventories) recognised as an expense during the year are ₹ 29,229.50 crores (2022-23: ₹ 28,818.90 crores).

3. For details of assets given as security against borrowings - Refer Note 3.13.

			As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.11	**CURRENT FINANCIAL ASSETS - INVESTMENTS (Unquoted)**			
	i)	Investments in mutual funds (carried at fair value through profit or loss) (March 31, 2024: 12,76,761.54 units and March 31, 2023: 3,36,02,943.56 units) (relating to financing activity March 31, 2024: Nil and March 31, 2023: 1,45,27,347 units)	225.16	3,171.40
	ii)	Investments in pass through securities (relating to financing activities) (Carried at amortised cost)	211.39	100.57
	iii)	Investments in non-convertible redeemable debentures (relating to financing activities) (Carried at amortised cost)	83.92	98.78
	iv)	Investment in security receipts (relating to financing activities) (measured at fair value through profit and loss)	59.11	79.27
	v)	Investment in Government Securities (relating to financing activities) (Carried at amortised cost)	373.75	-
	(Quoted)			
	i)	Investments in non-convertible redeemable debentures (relating to financing activities) (Carried at amortised cost)	69.86	61.32
			1,023.19	**3,511.34**

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1.12 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES (Unsecured)		
Considered good		
Related parties (Refer Note 3.9)	104.14	44.52
Others	3,926.21	4,289.25
Less: Loss allowance	132.20	146.41
	3,898.15	**4,187.36**

Ageing for trade receivable (Refer Note 1.4 and 1.12) ₹ Crores

Year ended March 31, 2024	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables							
- considered good	1,648.38	1,841.74	175.87	62.27	8.13	28.25	3,764.64
(ii) Disputed Trade Receivables							
- considered good	-	1.88	1.90	11.16	19.85	233.47	268.26
Gross Receivables	**1,648.38**	**1,843.62**	**177.77**	**73.43**	**27.98**	**261.72**	**4,032.90**
Less: Loss allowance							132.20
Total							**3,900.70**

₹ Crores

Year ended March 31, 2023	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables							
- considered good	3,568.46	426.45	10.60	18.49	5.65	32.64	4,062.29
(ii) Disputed Trade Receivables							
- considered good	-	13.36	6.09	20.04	19.27	215.56	274.32
Gross Receivables	**3,568.46**	**439.81**	**16.69**	**38.53**	**24.92**	**248.20**	**4,336.61**
Less: Loss allowance							146.41
Total							**4,190.20**

Notes:

1. Movement in loss allowance is as follows:

Particulars	March 2024	March 2023
Opening balance	146.41	140.36
Add: Additions / Transfer	12.68	13.98
Less: Utilisations / Reversals	26.89	7.93
Closing balance	132.20	146.41

2. These are carried at amortised cost.
3. For details of assets given as security against borrowings - Refer Note 3.13.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1.13a CASH AND CASH EQUIVALENTS		
i) Balances with banks:		
a) In current accounts	1,456.54	1,334.40
b) In cash credit accounts	1,015.49	446.22
c) In deposit accounts *	2,590.90	57.76
ii) Cheques on hand	92.12	47.25
iii) Cash and stamps on hand	62.27	22.95
	5,217.32	**1,908.58**
1.13b BANK BALANCES OTHER THAN (a) ABOVE		
i) Unclaimed dividend accounts (earmarked)	10.22	10.30
ii) Unpaid dividend accounts (earmarked) (Refer Note 1.19 (I) & 1.28)	1,453.48	-
iii) Escrow bank account (earmarked)	35.10	36.88
iv) Deposits with original maturity of more than 3 months but less than 12 months	363.93	230.96
	1,862.73	**278.14**

* This represents deposits with original maturity of less than or equal to 3 months.

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1.14 CURRENT FINANCIAL ASSETS - LOANS (Secured, Considered good unless otherwise stated)		
Loan to customer under financing activities		
Considered good	10,711.04	8,537.05
Considered doubtful	554.77	559.16
	11,265.81	**9,096.21**
Less: Allowance for loans (as per expected credit loss model)	319.84	414.78
	10,945.97	**8,681.43**
Notes:		
1. Loan to customer under financing activities carried at fair value through other comprehensive income.	7,570.16	5,371.42

2. These are carried at amortised cost except Note 1 above.
3. Refer Note 3.6 for disclosures relating to expected credit loss.
4. There are no loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are repayable on demand and that are without specifying any terms or period of repayment.
5. Movement in allowance for loans is as follows:

	Opening	Additions / Utilisations (Net)	Closing
March 2024	414.78	(94.94)	319.84
March 2023	391.35	23.43	414.78

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.15	**CURRENT - OTHER FINANCIAL ASSETS (Unsecured, considered good unless otherwise stated)**		
a)	Interest accrued	4.43	9.14
b)	Employee advances	28.04	24.75
c)	Derivatives designated as hedging instruments carried at fair value	48.64	55.79
d)	Receivables from Related parties (Refer Note 3.9)	-	0.31
e)	Intercorporate deposits	390.00	-
f)	Revenue grants receivable		
	- Considered good	25.17	25.65
	- Considered doubtful	9.03	8.89
		34.20	**34.54**
	Less: Allowance for doubtful receivables	9.03	8.89
		25.17	**25.65**
g)	Bank deposits with original maturity of greater than 12 months	-	200.10
h)	Receivable from Government authorities		
	- Considered good	3.75	3.75
	- Considered doubtful	3.90	3.90
		7.65	**7.65**
	Less: Allowance for doubtful receivables	3.90	3.90
		3.75	**3.75**
i)	Security Deposits		
	- Considered good	6.63	11.20
	- Considered doubtful	0.07	0.07
		6.70	**11.27**
	Less: Allowance for doubtful deposits	0.07	0.07
		6.63	**11.20**
j)	Subsidy receivable from Government	25.73	155.50
k)	Others (includes expenses recoverable, items relating to financing activity, etc.)		
	- Considered good	257.44	295.95
	- Considered doubtful	36.86	36.86
		294.30	**332.81**
	Less: Allowance for doubtful receivables	36.86	36.86
		257.44	**295.95**
		789.83	**782.14**

Notes:

1. These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss/ other comprehensive income.
2. For details of assets given as security against borrowings - Refer Note 3.13.
3. Movement in Allowance for doubtful receivables (Revenue grant receivable) are as follows:

Particulars	March 2024	March 2023
Opening balance	8.89	8.89
Add: Additions	0.14	-
Less: Utilisations / Reversals	-	-
Closing balance	9.03	8.89

4. Movement in Allowance for doubtful receivables - Others (includes expenses recoverable, items relating to financing activity, etc.) are as follows:

Particulars	March 2024	March 2023
Opening balance	36.86	20.82
Add: Additions	-	7.04
Add: Reclassification	-	9.00
Less: Utilisations / Reversals	-	-
Closing balance	36.86	36.86

5. Movement in Allowance for doubtful receivable (Receivable from government authorities) is as follows:

Particulars	March 2024	March 2023
Opening balance	3.90	3.90
Add: Transfer	-	-
Less: Utilisations / Reversals	-	-
Closing balance	3.90	3.90

6. Movement in Allowance for doubtful deposits is as follows:

Particulars	March 2024	March 2023
Opening Balance	0.07	-
Add: Addition	-	0.07
Less: Utilisations / Reversals	-	-
Closing Balance	0.07	0.07

7. There are no Intercorporate deposits granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are repayable on demand and that are without specifying any terms or period of repayment.

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1.16 CONTRACT ASSETS (Unsecured, considered good)		
Unbilled revenue (Refer note 3.7)	47.09	32.84
	47.09	**32.84**

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1.17 OTHER CURRENT ASSETS (Unsecured, considered good unless otherwise stated)		
a) Supplier advances		
Considered good	202.77	174.22
Considered doubtful	0.97	1.13
Less: Allowance for doubtful advances	0.97	1.13
	202.77	**174.22**
b) Balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc.	836.17	1,017.45
c) Others *	152.03	155.75
	1,190.97	**1,347.42**
* Includes:		
- Sales tax paid under protest	0.03	0.01
- Prepaid expenses	142.31	149.15
- Gratuity (Refer Note 3.3)	0.23	0.28

Note:

Movement in allowance for doubtful advances is as follows:

Particulars	March 2024	March 2023
Opening balance	1.13	1.04
Add: Additions / Reclassifications	-	0.09
Less: Utilisations / Reversals	0.16	-
Closing balance	0.97	1.13

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1.17A ASSETS CLASSIFIED AS HELD FOR SALE		
Property, plant and equipment and Capital work-in-progress (net of provision for assets held for sale relating to EMAAS business) (Refer Note 1.1)	120.56	47.15
Right of use asset	5.87	5.87
Non-current and current financial assets (includes trade and other receivables, etc.)	6.33	13.82
Non-current and current assets	0.40	0.73
Inventories	6.27	4.35
	139.43	**71.92**

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1.17B LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE		
Non-current and current financial liabilities (includes trade and other payables, etc.)	15.75	10.76
Non-current and current liabilities (includes contract liabilities, etc.)	1.02	0.05
Non-current and current provision (includes provision for employee benefits)	0.06	0.06
	16.83	**10.87**

Note:

In the meeting held on November 12, 2021, the Board of Directors of the Parent Company had approved the transfer of "Electric Vehicle Mobility As A Service (EMAAS)" business. The Parent Company has since received the regulatory approvals and accordingly classified the associated assets and liabilities as "Held for sale".

The fair value of the EMAAS business was determined using the Income approach. In this approach, the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the business. This is a level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures. The key inputs are:

a) the estimated cash flows; and

b) the discount rate to compute the present value of the future expected cash flows.

The transfer of business will be consummated on receipt of certain other approvals expected within the next twelve months.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2024	As at March 31, 2023
		₹ Crores	₹ Crores
1.18	**EQUITY SHARE CAPITAL**		
	Authorised		
	27,85,60,00,000 (March 2023: 27,85,60,00,000) Equity shares of Re.1 each	2,785.60	2,785.60
		2,785.60	**2,785.60**
	Issued		
	a) 2,29,00,12,796 (March 2023: 2,28,98,12,796) Equity shares of Re.1 each	229.00	228.98
	b) 64,63,14,480 (March 2023: 64,63,14,480) Equity shares of Re.1 each issued through Global Depository Receipts	64.63	64.63
		293.63	**293.61**
	Subscribed and fully paid up		
	a) 2,29,00,12,796 (March 2023: 2,28,98,12,796) Equity shares of Re.1 each	229.00	228.98
	b) 64,63,14,480 (March 2023: 64,63,14,480) Equity shares of Re.1 each issued through Global Depository Receipts	64.63	64.63
		293.63	**293.61**
	Add: Forfeited shares (amount originally paid up in respect of 760 shares) #	0.00	0.00
		293.63	**293.61**

Amount is below rounding off norms adopted by the Group.

Shares held by promoters as at March 31, 2024				% Change during the year
S.No.	**Name of the Promoter**	**No. of Shares**	**% of total shares**	
1.	Hinduja Automotive Limited (including shares held through GDRs through Citibank N A, New York)	1,34,86,28,818	45.93	-
2.	Hinduja Bank (Switzerland) Ltd (held on behalf of Hinduja Automotive Limited)	14,49,04,064	4.94	-
3.	Hinduja Foundries Holdings Limited	71,27,379	0.24	-
	Total	**1,50,06,60,261**	**51.11**	**-**

Shares held by promoters as at March 31, 2023				% Change during the year
S.No	**Name of the Promoter**	**No. of Shares**	**% of total shares**	
1.	Hinduja Automotive Limited (including shares held through GDRs through Citibank N A, New York)	1,34,86,28,818	45.93	0.01
2.	Hinduja Bank (Switzerland) Ltd (held on behalf of Hinduja Automotive Limited)	14,49,04,064	4.94	-
3.	Hinduja Foundries Holdings Limited	71,27,379	0.24	-
	Total	**1,50,06,60,261**	**51.11**	**0.01**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Notes:

1. Reconciliation of number of Equity shares subscribed

	March 2024	March 2023
Balance as at the beginning of the year	2,93,61,27,276	2,93,55,27,276
Add: Issued during the year (Refer Note 3.5)	2,00,000	6,00,000
Balance as at the end of the year	2,93,63,27,276	2,93,61,27,276

2. As on March 31, 2024, there are 35,28,70,140 (March 2023: 35,29,18,140) equity shares representing the outstanding Global Depository Receipts (GDRs). The balance GDRs have been converted into equity shares.

3. Shares held by the Holding Company

Hinduja Automotive Limited, the holding company, holds 1,16,43,32,742 (March 2023: 1,16,43,32,742) Equity shares and 54,86,669 (March 2023: 54,86,669) Global Depository Receipts (GDRs) equivalent to 32,92,00,140 (March 2023: 32,92,00,140) Equity shares of Re. 1 (March 2023: Re. 1) each aggregating to 50.87% (March 2023: 50.87%) of the total share capital.

4. Shareholders other than the Holding Company holding more than 5% of the equity share capital

There are no shareholders holding more than 5% of the equity share capital of the Parent Company other than the Holding Company as at March 31, 2024 and March 31, 2023.

5. Rights, preferences and restrictions in respect of equity shares and GDRs issued by the Parent Company

a) The Equity share holders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by / in terms of their issue under the provisions of the Companies Act, 2013.

b) The rights, preferences and restrictions of the GDR holders are governed by the terms of their issue, and the provisions of the Companies Act, 2013. Each GDR holder is entitled to receive 60 equity shares (March 2023: 60 equity shares) of Re. 1 each, per GDR, and their voting rights can be exercised through the Depository.

6. The Parent Company allotted 2,00,000 (March 2023: 6,00,000) equity shares pursuant to the exercise of options under Employee Stock Option Plan Scheme. For Information relating to Employees Stock Option Plan Scheme including details of options outstanding as at March 31, 2024 - Refer Note 3.5.

			As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.19	**OTHER EQUITY**			
a)	Share application money pending allotment	A	0.54	0.04
b)	Capital Reserve	B	263.87	263.87
c)	Securities Premium	C	2,546.86	2,544.36
d)	Capital Redemption Reserve	J	3.33	3.33
e)	Share Options Outstanding Account	D	47.46	42.50
f)	General Reserve	E	1,021.70	1,020.55
g)	Cash Flow Hedge Reserve	F	6.12	17.73
h)	Statutory Reserve	G	383.91	306.17
i)	Foreign Currency Translation Reserve	H	(45.73)	(19.50)
j)	Retained Earnings	I	3,772.80	3,716.59
k)	Other Comprehensive Income - Fair valuation on loans relating to financing activities	K	710.13	362.51
			8,710.99	**8,258.15**

Refer “Consolidated Statement of Changes in Equity” for additions / deletions in each reserve.

Notes:

A. Share application money pending allotment is relating to share application money received by a subsidiary and which is pending allotment as on March 31, 2024.

B. Capital reserve represents reserve created pursuant to the business combinations.

C. Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

D. Share options outstanding account relates to stock options granted by the Group to employees under an employee stock options plan. (Refer Note 3.5)

E. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

F. Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated in this reserve are reclassified to profit or loss only when the hedged transaction affects the profit or loss.

G. The statutory reserve has been created pursuant to statutory regulations at a percentage of profit for the year.

H. Foreign currency translation reserve represents exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e., Indian Rupees) which are recognised directly in other comprehensive income and accumulated in this foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

I. In respect of the year ended March 31, 2024, the Board of Directors has declared a interim dividend of ₹ 4.95 per equity share (final dividend for March 2023: ₹ 2.60 per equity share) which is accounted as per the provisions of the Act and will be paid out of the current year profits available for distribution. Revaluation reserve amounting to ₹ 1,210.21 crores transferred to retained earnings on transition date may not be available for distribution.

J. Capital redemption reserve represent the reserve arising pursuant to the business combination during 2016-17.

K. Other Comprehensive Income - Fair valuation on loans relating to financing activities represents gains / (losses) arising on fair valuation of loan relating to financing activities carried at fair value through other comprehensive income.

				As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.20	**NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**				
	a)	**Secured borrowings**			
		i)	Redeemable non-convertible debentures	627.43	278.80
		ii)	Term loan from banks	24,800.19	17,822.25
		iii)	SIPCOT soft loan	31.18	31.18
	b)	**Unsecured borrowings**			
		i)	Subordinated Redeemable non-convertible debentures	1,113.10	843.43
		ii)	External commercial borrowings from banks	55.97	385.86
		iii)	Interest free sales tax loans	66.41	66.41
		iv)	Others including subordinated loans	1.43	74.93
				26,695.71	**19,502.86**

Notes:

1. These are carried at amortised cost.
2. Refer Note 1.26 for Current maturities of long-term borrowings.
3. Refer Note 3.13 for security and terms of the borrowings.
4. The Parent Company has been authorised to issue 3,65,00,000 (March 2023: 3,65,00,000) Non-Cumulative Redeemable Non-Convertible Preference Shares of ₹10 each valuing ₹ 36.50 crores (March 2023: ₹ 36.50 crores) and 7,70,00,000 (March 2023: 7,70,00,000) Non-Convertible Redeemable Preference Shares of ₹100 each valuing ₹ 770.00 crores (March 2023: ₹ 770.00 crores). No preference shares has been issued during the year.
5. Refer Note 3.6 for details on debt covenants.
6. The Group has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
7. The Group is not declared as a willful defaulter by any bank or financial institution or government or any government authority.
8. Of the above, borrowings relating to financing activities are given below:

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
a)	**Secured borrowings**		
	43,000 (March 31, 2023: 8,800) Redeemable non-convertible debentures	428.10	79.77
	Term loans from banks	23,663.73	16,037.22
b)	**Unsecured borrowings**		
	63,750 (March 31, 2023: 9,750) Subordinated Redeemable non-convertible debentures	1,113.10	843.43
	Other subordinated loans	-	74.93
		25,204.93	**17,035.35**

			As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.21	**NON-CURRENT - OTHER FINANCIAL LIABILITIES**			
	a)	Capital creditors	0.93	0.99
	b)	Derivatives designated in hedging relationships carried at fair value	1.65	-
	c)	Others (Includes security deposit payable, etc.)*	93.62	104.19
	d)	Earnout liability relating to a subsidiary**	31.21	58.83
			127.41	**164.01**

Notes:

These (except derivatives and earnout liability) are carried at amortised cost. Derivatives and Earnout liability are carried at fair value through profit or loss / other comprehensive income.

*Includes RSP Participation fee payable relating to financing activities amounting to ₹ 40.86 crores (March 31, 2023: ₹ 82.17 crores)

** Represents fair value of contingent consideration payable in relation to a subsidiary, payable over a period of 3 years. Also refer note 3.18.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1.22 NON-CURRENT CONTRACT LIABILITIES		
Income received in advance (Refer note 3.7)	283.45	250.04
	283.45	**250.04**

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1.23 NON-CURRENT PROVISIONS		
a) Provision for employee benefits		
i) Compensated absences	122.78	110.68
ii) Others including post retirement benefits	116.43	72.98
b) Provision for product warranties	585.26	425.56
c) Provision in relation to net assets of a subsidiary (Refer Note 3.25)	26.80	18.77
d) Other provisions (includes provision for litigation)	6.24	5.29
	857.51	**633.28**

Notes:

1. Movement in Provision for product warranties is as follows:

Particulars	March 2024	March 2023
Opening balance (Current (Refer Note 1.30) and Non-current)	787.65	415.42
Add: Additions (net)	1,070.68	740.87
Less: Utilisations (net)	646.84	368.64
Closing balance (Current (Refer Note 1.30) and Non-current)	1,211.49	787.65

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which ranges upto 84 months (March 31 2023: upto 72 months).

2. Movement in Other Provisions (includes provision for litigation) is as follows:

Particulars	March 2024	March 2023
Opening balance	5.29	4.56
Add: Additions	0.95	0.73
Less: Utilisations / Reversal	-	-
Closing balance	6.24	5.29

3. Movement in Provisions in relation to net assets of a subsidiary is as follows:

Particulars	March 2024	March 2023
Opening balance	18.77	27.97
Add: Additions	8.03	-
Less: Utilisations / Reversals	-	9.20
Closing balance	26.80	18.77

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.24 DEFERRED TAX LIABILITIES (NET)		
i) Deferred tax liabilities	1,435.39	1,378.44
ii) Deferred tax (assets)*	(388.56)	(636.03)
	1,046.83	**742.41**

* Includes Unused tax credits (MAT credit entitlement) of ₹ Nil (March 2023: ₹ 174.57 crores).

Note:

Refer Note 3.2 for details of deferred tax liabilities and assets.

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.25 OTHER NON-CURRENT LIABILITIES		
Others	3.82	13.68
	3.82	**13.68**

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.26 CURRENT FINANCIAL LIABILITIES - BORROWINGS		
a) Secured borrowings		
Loans from banks	2,106.74	1,496.46
Bills discounted	10.51	13.06
b) Unsecured borrowings		
Loans from banks	233.41	512.43
Commercial papers	1,479.08	196.42
Loan from others	1.84	-
Loan from related parties (Refer Note 3.9)	-	85.89
Subordinated Redeemable non-convertible debentures	549.59	-
Bills discounted	73.80	105.57
c) Current maturities of long-term debt	9,413.66	9,007.75
	13,868.63	**11,417.58**

Notes :

1. These are carried at amortised cost.
2. Out of the above, borrowings relating to financing activities:

Particulars	March 2024	March 2023
- Secured - Loans from Banks	701.51	848.10
- Subordinated redeemable non-convertible debentures	549.59	-
- Current maturities of long-term debt	8,767.20	7,855.51
- Commercial papers	1,479.08	196.42

3. Current maturities of long term debts:

Particulars	March 2024	March 2023
Secured	9,079.77	8,678.11
Unsecured	333.89	329.64

4. Commercial paper - maximum balance outstanding during the year is ₹ 1,725 Crores (March 2023: ₹ 2,000 Crores).
5. The Group has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
6. Refer Note 3.13 for security, terms of the borrowings and net debt reconciliation.
7. Refer Note 3.6 for details of debt covenants.

		As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.27	**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**		
	Trade payables - including acceptances		
	a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 3.17)	114.88	77.09
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	6,683.14	7,504.78
		6,798.02	**7,581.87**

Trade Payables ageing schedule

₹ Crores

Particulars	As at 31st March 2024						
	Outstanding for following periods from due date of payment						
	Un-billed (includes accrued expenses / liabilities)	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - Micro and Small Enterprises	0.55	113.95	0.06	0.32	-	-	114.88
(ii) Undisputed dues - Others	888.50	5,424.34	363.69	3.55	1.86	1.20	6,683.14
(iii) Disputed dues – Micro and Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**889.05**	**5,538.29**	**363.75**	**3.87**	**1.86**	**1.20**	**6,798.02**

₹ Crores

Particulars	As at 31st March 2023						
	Outstanding for following periods from due date of payment						
	Un-billed (includes accrued expenses / liabilities)	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - Micro and Small Enterprises	0.97	75.49	0.63	-	-	-	77.09
(ii) Undisputed dues - Others	940.07	5,737.79	822.31	2.93	1.20	0.48	7,504.78
(iii) Disputed dues – Micro and Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**941.04**	**5,813.28**	**822.94**	**2.93**	**1.20**	**0.48**	**7,581.87**

Notes:

1. These are carried at amortised cost.
2. Includes acceptances amounting to ₹ 247.02 crores (March 2023: ₹ 269.73 crores)

			As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.28	**CURRENT - OTHER FINANCIAL LIABILITIES**			
	a)	Interest accrued but not due on borrowings	221.98	237.55
	b)	Dividends Payables		
		i) Unpaid (Refer Note 1.19 (I) & 1.13b)	1,453.48	-
		ii) Unclaimed	10.22	10.30
	c)	Employee benefits	518.42	462.72
	d)	Capital creditors		
		i) Total outstanding dues of micro enterprises and small enterprises [Refer Note 3.17]	9.27	6.17
		ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	97.85	80.34
	e)	Derivatives designated in hedging relationships carried at fair value	1.13	1.43
	f)	Assignees towards collections in assigned assets (relating to financing activities)	310.87	223.76
	g)	Earnout Liability relating to a subsidiary (Refer Note 3.18)	32.56	31.51
	h)	Others*	778.03	547.98
			3,433.81	**1,601.76**
		* Includes:		
		Refund liabilities	438.30	361.66
		RSP Participation fees payable relating to financing activities	81.71	27.32
		Subsidy received in advance	30.00	-

Notes :

1. These (except derivatives and earnout liability) are carried at amortised cost. Derivatives and Earnout liability are carried at fair value through profit or loss/ other comprehensive income.
2. Refer Note 3.13 for securities and terms of the borrowings.
3. Interest accrued but not due on borrowings include ₹ 204.3 crores (2023: ₹ 181.20 crores) relating to financing activities.
4. Refer Note 3.6 for details of debt covenants.

			As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
1.29	**CURRENT CONTRACT LIABILITIES**			
	a)	Income received in advance	334.21	293.22
	b)	Advance from customers	222.38	165.13
			556.59	**458.35**

Note:

Refer Note 3.7 for disclosures relating to revenue from contracts with customers

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1.30 CURRENT PROVISIONS		
a) Provision for employee benefits		
i) Compensated absences	29.78	25.88
ii) Gratuity [Refer Note 3.3]	16.40	-
iii) Others including Post retirement benefits	78.86	89.47
b) Others		
i) Product warranties	626.23	362.09
ii) Other provisions (including litigation matters)	51.72	109.08
	802.99	**586.52**

Notes:

1. Movement in Provision for product warranties Refer Note 1.23
2. Movement in Other Provisions (including litigation matters) is as follows:

Particulars	March 2024	March 2023
Opening Balance	109.08	134.32
Add: Additions	1.78	5.25
Less: Utilisations / Reversals	59.14	30.49
Closing Balance	51.72	109.08

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1.31 OTHER CURRENT LIABILITIES		
a) Statutory liabilities	536.33	586.94
b) Accrued gratuity (Refer Note 3.3)	0.02	8.29
c) Others	16.89	4.70
d) Subsidy received in advance	35.81	18.25
	589.05	**618.18**

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1.32 CURRENT TAX LIABILITIES (NET)		
Provision for taxation (net of advance tax)	527.38	128.30
	527.38	**128.30**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

			Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
2.1	**REVENUE FROM OPERATIONS**			
	a) Sale of products			
	- Commercial vehicles			
	Manufactured		33,653.80	32,508.71
	Traded		297.57	232.44
	- Engines and gensets		1,306.33	991.41
	- Ferrous castings and patterns		508.77	609.33
	- Spare parts and others		3,561.58	2,587.26
		(A)	**39,328.05**	**36,929.15**
	b) Sale of services	(B)	2,194.11	1,530.37
	c) Interest / other finance income relating to financing activities	(C)	4,834.29	3,647.88
	d) Other operating revenues			
	- Grant Income		0.66	0.75
	- Export incentives		43.54	50.39
	- Scrap sales		124.18	118.19
	- Others		17.70	14.97
		(D)	**186.08**	**184.30**
		(A+B+C+D)	**46,542.53**	**42,291.70**
	Less : Rebates and discounts		751.89	619.10
			45,790.64	**41,672.60**

		Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
2.2	**OTHER INCOME**		
	a) Interest income from financial assets measured at amortised cost	78.93	31.03
		78.93	**31.03**
	b) Profit on sale of investments (net)		
	Current investments	60.61	30.05
		60.61	**30.05**
	c) Other non-operating income		
	i) Profit on sale of Property, Plant and Equipment (net)	14.27	9.88
	ii) Net (loss) / gain arising on financial asset mandatorily measured at FVTPL	(3.71)	6.72
	iii) Others	(9.52)	29.43
		1.04	**46.03**
		140.58	**107.11**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

			Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
2.3	**EMPLOYEE BENEFITS EXPENSE**			
	a)	Salaries and wages	3,238.11	2,869.23
	b)	Contribution to provident and other funds	208.84	179.98
	c)	Share based payment costs *	8.63	3.54
	d)	Staff welfare expenses	259.36	239.65
			3,714.94	**3,292.40**
		Less: Expenses capitalised	42.25	58.02
			3,672.69	**3,234.38**

. * For share options given by the Group to employees under employee stock option plan - Refer Note 3.5.

			Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
2.4	**FINANCE COSTS**			
	a)	Interest expense	356.74	343.85
		Less: Expenses capitalised	2.30	2.69
			354.44	**341.16**
	b)	Unwinding of discount on provisions	58.32	21.08
	c)	Interest and other borrowing costs relating to financing activities	2,555.40	1,716.76
	d)	Interest on Lease Liability	14.09	14.50
			2,982.25	**2,093.50**

Note:

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the year - 7.30% p.a. (March 31, 2023 - 7.67% p.a.).

			Year ended March 31, 2024	Year ended March 31, 2023
			₹ Crores	₹ Crores
2.5	**DEPRECIATION AND AMORTISATION EXPENSE**			
	A)	**Property, plant and equipment**		
		i) Buildings	80.67	84.30
		ii) Plant and equipment	451.07	464.60
		iii) Furniture and fittings	9.05	8.31
		iv) Vehicles including electric vehicles	44.82	15.76
		v) Commercial vehicles given on lease	18.44	0.11
		vi) Office equipment	35.54	29.15
		vii) Assets given on lease		
		- Buildings	0.29	0.29
		- Plant and equipment	#	#
		- Aircraft	6.65	9.74
		viii) Electrical and other installations on lease hold premises	0.04	0.04
			646.57	**612.30**
	B)	**Other Intangible assets**		
		i) Computer software		
		- Developed	2.17	5.44
		- Acquired	14.65	17.08
		ii) Technical knowhow (includes Product Development)		
		- Developed	178.94	192.53
		- Acquired	13.00	8.60
		iii) Customer relationships	7.72	2.49
		iv) Trademark	2.37	0.76
			218.85	**226.90**
	C)	**Depreciation of Right-of-use asset**	61.87	61.02
			927.29	**900.22**

Amount is below rounding off norms adopted by the Group.

Also Refer Notes 1.1, 1.2, and 1.1A

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

			Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
2.6	**OTHER EXPENSES**			
	(a)	Consumption of stores and tools	117.26	116.65
	(b)	Power and fuel	302.22	279.44
	(c)	Rent (Refer Note 3.10)	15.41	13.69
	(d)	Repairs and maintenance		
		- Buildings	79.50	59.27
		- Plant and machinery	130.31	118.43
		- Others	83.52	85.47
	(e)	Insurance	54.07	47.86
	(f)	Rates and taxes, excluding taxes on income	42.68	18.61
	(g)	Research and development (includes materials consumed and testing charges)	132.90	140.56
	(h)	Service and product warranties	1,122.64	852.02
	(i)	Packing and forwarding charges	806.45	819.03
	(j)	Selling and administration expenses (net) (includes advertisement expenditure, consultancy charges, etc)	682.17	636.47
	(k)	Annual maintenance contracts	250.48	249.60
	(l)	Service provider fees (including sourcing and commission expenses relating to financing activities)	99.26	64.34
	(m)	Impairment loss allowance / write off on trade receivable (net)	(3.69)	4.75
	(n)	Impairment loss allowance / write off on other receivable (net)	0.72	9.24
	(o)	Impairment loss allowance / write off relating to financing activities	572.85	646.78
	(p)	Miscellaneous including operational expenses (includes hire charges, travel expenditure etc)	537.90	504.72
			5,026.65	**4,666.93**
		Less: Expenses capitalised	81.07	140.51
			4,945.58	**4,526.42**
	Note:			
	Selling and administration expenses include items relating to Parent Company:			
		- Directors' sitting fees	1.47	1.06
		- Commission to Non Whole-time Directors	6.69	4.92

			Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
2.7	**EXCEPTIONAL ITEMS :**			
	a)	Impairment in value of goodwill and net assets of subsidiaries		
		- Albonair GmbH (Refer Note 3.25)	(8.03)	9.20
		- Ashley Aviation	-	(7.81)
	b)	Provision for obligations relating to a subsidiary		
		- Optare plc	13.53	(29.09)
	c)	(Loss) / Gain on fair valuation of Investment in Hinduja Energy (India) Limited (Refer Note 1.3)	(124.99)	65.67
	d)	Voluntary Retirement Scheme	(0.13)	(4.98)
	e)	Obligation relating to discontinued products of LCV division (net of reversal)	53.68	14.90
	f)	Write off of intangible assets under development	(18.28)	-
			(84.22)	**47.89**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.1 BASIS OF CONSOLIDATION

3.1.1 The Consolidated Financial Statements relate to Ashok Leyland Limited (the "Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together constitute "the Group"), its joint ventures and associates.

3.1.2 **Principles of consolidation**

a. The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard 110 (Ind AS 110) "Consolidated Financial Statements", Indian Accounting Standard 28 (Ind AS 28) "Investments in Associates and Joint Ventures" prescribed under Section 133 of the Companies Act, 2013 (the "Act").

b. The Consolidated Financial Statements of the Group have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.

c. The difference between the proceeds from the disposal of investments in the subsidiary and the carrying amount of its assets and liabilities as on the date of disposal is recognised as profit or loss on disposal of investments in the subsidiary in the Consolidated Statement of Profit and Loss.

d. Non-controlling interests in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non-controlling shareholders at the dates on which investments are made by the Parent Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

e. The following subsidiaries are considered in the Consolidated Financial Statements:

Sl. No.	Name of the Subsidiary	Country of Incorporation	% of ownership interest	
			March 31, 2024	March 31, 2023
1.	Hinduja Leyland Finance Limited and its subsidiaries	India	60.40%	60.42%
2.	Global TVS Bus Body Builders Limited	India	66.67%	66.67%
3.	Gulf Ashley Motor Limited	India	93.15%	93.15%
4.	Optare Plc and its subsidiaries	UK	92.59%	91.63%
5.	Ashok Leyland (Nigeria) Limited	Nigeria	100.00%	100.00%
6.	Ashok Leyland (Chile) SA*	Chile	100.00%	100.00%
7.	HLF Services Limited	India	81.72%	81.73%
8.	Albonair (India) Private Limited	India	100.00%	100.00%
9.	Albonair GmbH and its subsidiary*	Germany	100.00%	100.00%
10.	Ashok Leyland (UAE) LLC and its subsidiaries	UAE	100.00%	100.00%
11.	Ashley Aviation Limited	India	100.00%	100.00%
12.	Hinduja Tech Limited and its subsidiaries	India	73.22%	73.83%
13.	Vishwa Buses and Coaches Limited	India	100.00%	100.00%
14.	Gro Digital Platforms Limited	India	80.20%	80.21%
15.	OHM Global Mobility Private Limited (from September 1, 2023)	India	100.00%	Not Applicable

Ownership interest includes joint holding and beneficial interest.

* The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Parent Company i.e. year ended March 31, 2024.

f. The following Joint Ventures have been considered in the preparation of Consolidated Financial Statements of the Group in accordance with Ind AS 28 "Investments in Associates and Joint Ventures":

Sl. No.	Name of the Joint Venture	Country of Incorporation	% of Ownership interest	
			March 31, 2024	March 31, 2023
1.	Ashley Alteams India Limited	India	50.00%	50.00%
2.	Zebeyond Limited, United Kingdom (Joint venture of Hinduja Tech Limited and its subsidiaries)	UK	50.00%	50.00%
3.	Ashok Leyland John Deere Construction Equipment Company Private Limited # (Under liquidation)	India	50.00%	50.00%
4.	TVS Trucks and Buses Private Limited (from February 23, 2024)	India	49.90%	Not Applicable

The Parent Company along with its subsidiary, Gulf Ashley Motor Limited holds 50% interest. The financial statements of the joint venture has not been prepared using going concern assumption as it is under liquidation. The operations of the joint venture is not significant to the operations of the Group.

g. The following associates have been considered in the preparation of Consolidated Financial Statements of the Group in accordance with Indian Accounting Standard (Ind AS) 28 "Investments in Associates and Joint Ventures":

Sl. No.	Name of the Associate	Country of Incorporation	% of ownership interest	
			March 31, 2024	March 31, 2023
1.	Ashok Leyland Defence Systems Limited	India	48.49%	48.49%
2.	Mangalam Retail Services Limited	India	37.48%	37.48%
3.	Lanka Ashok Leyland PLC	Sri Lanka	27.85%	27.85%

Rajalakshmi Wind Energy Limited (formerly Ashok Leyland Wind Energy Limited) and Prathama Solarconnect Energy Private Limited, where the Parent Company holds 26% is not treated as an associate under Ind AS 28, as the Group does not exercise significant influence over the entities.

3.1.3 Additional Information, as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries, Joint Ventures and Associates

S No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other comprehensive income		Share in Total comprehensive income	
		As a % of Consolidated Net Assets	Amount ₹ Crores	As a % of Consolidated Profit or (Loss)	Amount ₹ Crores	As a % of Consolidated Other comprehensive income	Amount ₹ Crores	As a % of Consolidated Total comprehensive income	Amount ₹ Crores
	Parent Company								
1.	Ashok Leyland Limited	97.84	8,810.37	105.41	2,617.87	(7.06)	(21.06)	93.35	2,596.81
	Indian Subsidiaries								
2.	Hinduja Leyland Finance Limited and its subsidiaries	75.66	6,812.79	25.79	640.54	192.21	573.24	43.63	1,213.78
3.	Global TVS Bus Body Builders Limited	0.43	39.00	0.09	2.33	(0.04)	(0.12)	0.08	2.21
4.	Gulf Ashley Motor Limited	0.06	4.96	(0.04)	(0.94)	(0.02)	(0.05)	(0.04)	(0.99)
5.	HLF Services Limited	0.19	17.33	0.10	2.54	0.10	0.29	0.10	2.83
6.	Albonair (India) Private Limited	1.55	139.61	2.80	69.54	(0.09)	(0.28)	2.49	69.26
7.	Ashley Aviation Limited	0.06	5.15	(0.21)	(5.18)	0.01	0.03	(0.19)	(5.15)
8.	Hinduja Tech Limited and its subsidiaries	2.51	226.26	0.88	21.93	1.27	3.80	0.92	25.73
9.	Vishwa Buses and Coaches Limited	0.46	41.55	0.42	10.43	-	0.01	0.38	10.44
10.	Gro Digital Platforms Limited	0.33	29.79	(0.43)	(10.60)	(0.02)	(0.06)	(0.38)	(10.66)
11.	OHM Global Mobility Private Limited (from September 1, 2023)	3.37	303.34	0.13	3.32	0.01	0.02	0.12	3.34
	Foreign Subsidiaries								
12.	Ashok Leyland (Nigeria) Limited	(0.01)	(1.30)	(0.09)	(2.19)	-	-	(0.08)	(2.19)
13.	Ashok Leyland (Chile) S.A	-	0.06	(0.01)	(0.20)	-	-	(0.01)	(0.20)
14.	Optare Plc UK and its subsidiaries	1.02	92.12	(18.40)	(457.02)	(12.40)	(36.97)	(17.76)	(493.99)
15.	Ashok Leyland (UAE) LLC and its subsidiaries	1.03	93.15	2.19	54.32	0.33	0.98	1.99	55.30
16.	Albonair GmbH and its subsidiary	0.30	26.80	0.31	7.79	0.08	0.23	0.29	8.02
17.	**Non controlling Interest in all subsidiaries**	**(31.21)**	**(2,809.97)**	**(8.57)**	**(212.82)**	**(75.43)**	**(224.96)**	**(15.74)**	**(437.78)**
	Associates (Investment as per the equity method)								
	Indian								
18.	Ashok Leyland Defence Systems Limited #	0.54	48.25	0.25	6.33	-	-	0.23	6.33
19.	Mangalam Retail Services Limited #	-	0.04	-	-	-	-	-	-
	Foreign								
20.	Lanka Ashok Leyland PLC	0.34	31.03	0.26	6.24	0.80	2.41	0.31	8.65
	Joint Ventures (Investment as per the equity method)								
	Indian								
21.	Ashley Alteams India Limited	0.24	21.46	0.37	9.09	(0.07)	(0.22)	0.32	8.87
22.	Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)	-	-	-	-	-	-	-	-
23.	Zebeyond Limited, United Kingdom (Joint venture of Hinduja Tech Limited and its subsidiaries)	0.06	5.19	(0.14)	(3.48)	-	-	(0.13)	(3.48)
24.	TVS Trucks and Buses Private Limited (from February 23, 2024)	0.26	23.15	(0.07)	(1.80)	-	-	(0.06)	(1.80)
	Sub Total	**155.03**	**13,960.13**	**111.04**	**2,758.04**	**99.68**	**297.29**	**109.82**	**3,055.33**
	Add / (Less): Effect of intercompany adjustments / eliminations	(55.03)	(4,955.51)	(11.04)	(274.52)	0.32	0.95	(9.82)	(273.57)
	Total	**100.00**	**9,004.62**	**100.00**	**2,483.52**	**100.00**	**298.24**	**100.00**	**2,781.76**

Note:

In case of subsidiaries, the net assets and the profit and loss are as per the Standalone / Consolidated Financial Statements of the respective entities from the date of acquisition wherever applicable. In case of associates and joint ventures, the share in net assets and share in profit and loss of the Parent Company are as per the Standalone / Consolidated Financial Statements of the respective entities from the date of acquisition wherever applicable.

Amount below rounding off norms adopted by the Group

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS

3.2.1 Income tax recognised in profit or loss

	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
Current tax		
In respect of the current year		
Domestic entities	1,552.35	965.61
Foreign entities	4.07	1.29
In respect of prior years		
Domestic entities	(77.51)	0.12
A	**1,478.91**	**967.02**
Deferred tax		
In respect of the current year		
Domestic entities	58.58	(41.49)
Foreign entities	(14.86)	(19.42)
Adjustments to deferred tax attributable to changes in tax rates and laws (Domestic Entities)	(169.32)	-
In respect of prior years		
Domestic entities	56.42	-
B	**(69.18)**	**(60.91)**
Total income tax expense recognised in the Consolidated profit or loss (A+B)	**1,409.73**	**906.11**

3.2.2 Income tax expense for the year reconciled to the accounting profit:

	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
Profit before tax		
Domestic entities	4,507.92	2,842.06
Foreign entities	(401.85)	(577.13)
Consolidated Profit before tax	**4,106.07**	**2,264.93**
Income tax expense at tax rates applicable to individual entities	1,456.91	813.46
Effect of exceptional items, disallowances and reversals (net)	79.98	(17.21)
Effect of previously unrecognised and unused tax losses and deductible temporary differences	(71.40)	(10.60)
Effect of concessions and other allowances	(39.85)	20.45
Effect of different tax rates of subsidiaries / branches operating in overseas jurisdictions	3.78	98.85
Effect of other adjustments	149.63	1.16
Effect on account of rate changes (Refer Note below)	(169.32)	-
Income tax expense recognised in Consolidated profit or loss	**1,409.73**	**906.11**

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

3.2.3 Income tax recognised in other comprehensive income

		Year ended March 31, 2024	Year ended March 31, 2023
		₹ Crores	₹ Crores
Deferred tax			
Arising on income and expenses recognised in other comprehensive income:			
Fair value remeasurement of hedging instruments entered into for cash flow hedges		2.22	9.54
Gain on fair valuation of loans (relating to financing activities)		193.43	30.95
Remeasurement of defined benefit obligation		(4.12)	(4.85)
	A	**191.53**	**35.64**
Arising on income and expenses reclassified from equity to profit or loss:			
Relating to cash flow hedges		(9.54)	(5.39)
	B	**(9.54)**	**(5.39)**
Total income tax recognised in other comprehensive income (A+B)		**181.99**	**30.25**
Bifurcation of the income tax recognised in other comprehensive income into:			
Items that will not be reclassified to profit or loss		(4.12)	(4.85)
Items that will be reclassified to profit or loss		186.11	35.10
		181.99	**30.25**

Note:

The Parent Company is continuing to provide for income tax based on old tax regime, considering the outstanding MAT credit entitlement and various deductions available to the Parent Company under the Income Tax Act, 1961. However, the Parent Company has applied the lower Income tax rates as provided under section 115 BAA of the Income Tax Act, 1961 on the deferred tax assets / liabilities to the extent these are expected to be realized or settled in the future period when the Parent Company may opt for lower tax rate and accordingly reversed net deferred tax liability of ₹ 172 crores during the year ended March 31, 2024. The effective tax rate would be at around 35%, but for this adjustment.

3.2.4 Analysis of deferred tax assets / liabilities: ₹ Crores

March 31, 2024	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	DTL unwinding due to tax rate change	Other adjustments	Unused tax credits -(utilised)	Closing balance
Deferred tax assets / (liabilities) (net)							
Property, plant and equipment and Intangible Assets	(3.11)	(37.32)	-	-	0.58	-	(39.85)
Right-of-use Asset	(1.88)	(0.04)	-	-	-	-	(1.92)
Unused tax losses (including unabsorbed depreciation)	44.60	51.83	-	-	(0.92)	-	95.51
Expenditure allowed upon payments	0.48	0.15	0.13	-	-	-	0.76
Provision for other employee benefits	0.87	0.77	0.13	-	-	-	1.77
Other temporary differences	8.12	(0.29)	0.02	-	1.23	-	9.08
	49.08	**15.10**	**0.28**	**-**	**0.89**	**-**	**65.35**
Deferred tax liabilities / (assets) (net)							
Property, plant and equipment and Intangible Assets	931.33	10.58	-	(237.17)	1.04	-	705.78
Right-of-use Asset	2.33	7.37	-	(0.54)	(0.39)	-	8.77
Lease Liability	(3.49)	(7.27)	-	0.85	0.41	-	(9.50)
Voluntary retirement compensation scheme	(19.45)	7.03	-	5.44	-	-	(6.98)
Expenditure allowed upon payments	(115.40)	14.62	(3.62)	32.41	0.30	-	(71.69)
Unused tax credit (MAT credit entitlement)	(174.57)	-	-	-	-	174.57	-
Cash flow hedges	9.54	-	(6.91)	-	-	-	2.63
Other temporary differences	(101.06)	28.20	-	29.69	0.90	-	(42.27)
Unused tax losses / unabsorbed depreciation	(0.34)	-	-	-	(0.60)	-	(0.94)
Deferred tax asset pertaining to financing activity (Refer Note below)	(221.72)	(34.97)	(0.49)	-	-	-	(257.18)
Deferred tax liability pertaining to financing activity (Refer Note below)	435.24	89.68	193.29	-	-	-	718.21
	742.41	**115.24**	**182.27**	**(169.32)**	**1.66**	**174.57**	**1,046.83**

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

3.2.4 Analysis of deferred tax assets / liabilities: (Contd.) **₹ Crores**

March 31, 2023	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in other Equity	Other adjustments (including effect of business combination)	Unused tax credits -(utilised)	Closing balance
Deferred tax assets / (liabilities) (net)							
Property, plant, and equipment and Intangible Assets	13.96	(17.07)	-	-	-	-	(3.11)
Right-of-use Asset	(2.01)	0.13	-	-	-	-	(1.88)
Unused tax losses (including unabsorbed depreciation)	7.34	37.01	-	-	0.25	-	44.60
Expenditure allowed upon payments	0.27	0.18	0.03	-	-	-	0.48
Provision for other employee benefits	-	0.87	-	-	-	-	0.87
Other temporary differences	7.57	0.44	0.05	-	0.06	-	8.12
	27.13	**21.56**	**0.08**	**-**	**0.31**	**-**	**49.08**
Deferred tax liabilities / (assets) (net)							
Property, plant, and equipment and Intangible Assets	950.36	(39.44)	-	-	20.41	-	931.33
Right-of-use Asset	7.37	(5.04)	-	-	-	-	2.33
Lease Liability	(6.86)	3.37	-	-	-	-	(3.49)
Voluntary retirement compensation scheme	(28.11)	8.66	-	-	-	-	(19.45)
Expenditure allowed upon payments	(100.28)	(9.98)	(5.14)	-	-	-	(115.40)
Unused tax credit (MAT credit entitlement)	(584.85)	-	-	-	-	410.28	(174.57)
Cash flow hedges	5.39	-	4.15	-	-	-	9.54
Other temporary differences	(97.66)	(8.31)	-	-	4.91	-	(101.06)
Unused tax losses / unabsorbed depreciation	(0.33)	-	-	-	(0.01)	-	(0.34)
Deferred tax asset pertaining to financing activity (Refer Note below)	(193.04)	(28.68)	-	-	-	-	(221.72)
Deferred tax liability pertaining to financing activity (Refer Note below)	363.85	40.07	31.32	-	-	-	435.24
	315.84	**(39.35)**	**30.33**	**-**	**25.31**	**410.28**	**742.41**

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, unused tax losses and unused tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and unused tax credits could be utilised. Such deferred tax assets and liabilities are computed separately for each taxable entity and each taxable jurisdiction.

Note on Deferred tax (asset) / liability pertaining to financing activity: **₹ Crores**

March 31, 2024	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in other Equity	Other adjustments	Unused tax credits - availed / (utilised)	Closing balance
Deferred tax asset pertaining to financing activity (Refer Note below)							
Provision for compensated absence	(0.80)	(0.48)	(0.08)	-	-	-	(1.36)
Provisions for expected credit loss	(171.63)	(23.78)	-	-	-	-	(195.41)
Property, plant and equipment (including Intangible assets)	(0.22)	0.22	-	-	-	-	-
Expected credit loss on EIS receivable(other financial asset)	(35.45)	(11.15)	-	-	-	-	(46.60)
Fair valuation of security deposits	(0.55)	(0.12)	-	-	-	-	(0.67)
Lease Liabilties	(13.07)	0.34	-	-	-	-	(12.73)
Impact of cashflow hedge	-	-	(0.41)	-	-	-	(0.41)
	(221.72)	**(34.97)**	**(0.49)**	**-**	**-**	**-**	**(257.18)**

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

3.2.4 Analysis of deferred tax assets / liabilities: (Contd.)

Note on Deferred tax (asset) / liability pertaining to financing activity: ₹ Crores

March 31, 2024	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in other Equity	Other adjustments	Unused tax credits - availed / (utilised)	Closing balance
Deferred tax liability pertaining to financing activity (Refer Note below)							
Provision for gratuity	0.29	0.10	(0.14)	-	-	-	0.25
Property, plant and equipment (including Intangible assets)	-	13.72	-	-	-	-	13.72
Net gain on derecognition of financial instruments	138.53	59.44	-	-	-	-	197.97
Right of Use of Assets	13.19	(5.37)	-	-	-	-	7.82
Fair value gain on investments in equity shares	0.86	2.26	-	-	-	-	3.12
Prepaid expenses	64.82	19.53	-	-	-	-	84.35
Gain on fair valuation of loans	217.55	-	193.43	-	-	-	410.98
Net Total	**435.24**	**89.68**	**193.29**	**-**	**-**	**-**	**718.21**

March 31, 2023	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in other Equity	Other adjustments	Unused tax credits - availed / (utilised)	Closing balance
Deferred tax asset pertaining to financing activity (Refer Note below)							
Provision for compensated absence	(0.74)	(0.06)	-	-	-	-	(0.80)
Provisions for expected credit loss	(154.20)	(17.43)	-	-	-	-	(171.63)
Property, plant and equipment (including Intangible assets)	(0.49)	0.27	-	-	-	-	(0.22)
Expected credit loss on EIS receivable(other financial asset)	(27.30)	(8.15)	-	-	-	-	(35.45)
Fair valuation of security deposits	(0.44)	(0.11)	-	-	-	-	(0.55)
Lease Liabilties	(9.87)	(3.20)	-	-	-	-	(13.07)
	(193.04)	**(28.68)**	**-**	**-**	**-**	**-**	**(221.72)**
Deferred tax liability pertaining to financing activity (Refer Note below)							
Provision for gratuity	(0.46)	0.38	0.37	-	-	-	0.29
Net gain on derecognition of financial instruments	107.86	30.67	-	-	-	-	138.53
Right of Use of Assets	9.05	4.14	-	-	-	-	13.19
Fair value gain on investments in equity shares	0.13	0.73	-	-	-	-	0.86
Prepaid expenses	60.67	4.15	-	-	-	-	64.82
Gain on fair valuation of loans	186.60	-	30.95	-	-	-	217.55
Net Total	**363.85**	**40.07**	**31.32**	**-**	**-**	**-**	**435.24**

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

3.2.5 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
- Unused tax losses	3,027.73	2,600.40
- Unused capital losses	21.79	41.91
- Unabsorbed depreciation	3.63	0.22
	3,053.15	**2,642.53**

Notes:

1. These will expire in various years upto 2032-33 (March 2023: 2031-32), except unabsorbed depreciation and unused tax loss in jurisdiction where there is no time limit for expiry.
2. The above are gross amounts on which appropriate tax rates would apply.
3. The Parent Company has not recognised deferred tax asset in respect of deductible temporary difference relating to certain investments as presently it is not probable that future taxable capital gain will be available in the foreseeable future to recover such deferred tax assets.

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS)

3.3.1 Defined contribution plans

Payments to defined contribution plans i.e., Group's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

In case of group companies operating in foreign jurisdiction, the payments in the form of defined contribution towards pension/social security schemes is made as per the laws and regulations of local jurisdiction in which the companies operate. These payments are made to the appropriate authority/entity which is managing the funds/schemes. The assets of the funds / schemes managed by the authorities/ entities are held separately from that of these group companies and there are no further obligation once the contributions are made.

The total expense recognised in consolidated profit or loss of ₹ 109.86 crores (2022-23: ₹ 94.03 crores) represents contribution paid/payable to these schemes by the Group at rates specified in the schemes.

3.3.2 Compensated absence and Defined benefit plans

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at the time of retirement, separation, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Group makes annual contributions to a funded gratuity scheme administered by the Life Insurance Corporation of India / SBI Life Insurance.

Eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined benefit plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The contributions are made to the provident fund and pension fund set up as irrevocable trusts by the Group. The interest rates declared and credited by trusts to the members have been higher than / equal to the statutory rate of interest declared by the Central Government.

Group's liability towards gratuity (funded) / (unfunded), provident fund, other retirement benefits and compensated absences are actuarially determined at the end of each reporting period using the projected unit credit method as applicable.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

3.3.2 Compensated absence and Defined benefit plans (Contd.)

Provident Fund Trust - Actuarial valuation of interest guarantee :

Group has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. The administered rates are determined annually predominantly considering the social rather than the economic factors and in most cases, the actual return earned by the Group has been lower in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by the Actuarial Society of India and based on the assumptions provided below :

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Provident Fund	As at March 31, 2024	As at March 31, 2023
Discount rate	6.97%	7.18%
Remaining term to maturity of portfolio (years)	10.70	10.70
Expected guaranteed interest rate		
First year	8.25%	8.15%
Thereafter	8.25%	8.15%
Attrition rate	3.00%	3.00%

The amount included in the balance sheet arising from the Group's obligation in respect of its provident fund plan is as follows:

Provident Fund	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
Present value of benefit obligation	1,589.73	1,463.01
Fair value of plan asset	1,517.64	1,382.41
Net (liability) arising from defined benefit obligation (funded)	**(72.09)**	**(80.60)**

The Net liability is reflected in "Provision for employee benefits" under provisions. [Refer Note 1.30].

The amount recognised in total comprehensive income and the movement in fair value asset and present value obligation pertaining to year ended March 31, 2024 is as follows :

Amounts recognised in total comprehensive income in respect of these provident fund are as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
Provident Fund		
Current service cost	48.79	51.08
Net interest expense	5.79	5.31
Components of provident fund recognised in profit or loss	**54.58**	**56.39**
Remeasurement on the net defined benefit liability comprising:		
Actuarial loss arising from changes in financial assumptions	0.54	-
Actuarial loss arising from experience adjustments	7.16	10.73
Actuarial (gain) on plan assets	(12.11)	(0.61)
Components of provident fund recognised in other comprehensive income	**(4.41)**	**10.12**
Total	**50.17**	**66.51**

The current service cost and the net interest expense for the year are included in "contribution to provident and other funds" and "Salaries and wages" under employee benefits expense in profit or loss (Refer Note 2.3)

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

3.3.2 Compensated absence and Defined benefit plans (Contd.)

Movements in the present value of the defined benefit obligation were as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
Opening defined benefit obligation	1,463.01	1,367.99
Adjustment relating to opening present value obligation	-	(0.07)
Employer Contribution	48.79	46.31
Employee Contribution	148.09	131.40
Value of Interest Rate Guarantee	-	4.77
Interest cost	105.53	97.57
Actuarial loss arising from changes in financial assumptions	0.54	-
Actuarial loss arising from experience adjustments	7.16	10.73
Benefits paid	(183.39)	(195.69)
Closing defined benefit obligation	**1,589.73**	**1,463.01**

Movements in the fair value of the plan assets were as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
Opening fair value of plan assets	1,382.41	1,293.88
Interest on plan assets	99.74	92.26
Actuarial gain on plan assets	12.11	0.61
Contributions	206.77	191.35
Benefits paid	(183.39)	(195.69)
Closing fair value of plan assets	**1,517.64**	**1,382.41**

The Group funds the contribution to administered trusts, which manages the plan assets in accordance with provident fund norms.

The breakup of the plan assets into various categories is as follows:

	As at March 31, 2024	As at March 31, 2023
Central and State Government Securities including Public Sector Undertaking securities	79.00%	75.00%
Corporate Bonds	15.00%	19.00%
Mutual Funds	1.00%	1.00%
Special Deposit Scheme	5.00%	5.00%

Significant actuarial assumptions for the determination of the provident fund are discount rate and interest rate guarantee. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

Particulars	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	1.28	1.22
increase by	1.33	1.26

The Group is sensitive to Interest rate guarantee wherein any increase or decrease in the interest rate by 25 basis points results in an increase in present value obligation by 0.24% (March 2023: 0.2%) or decrease in present value obligation by 2.92% (March 2023: 3.0%.)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation, since the above analysis are based on change in an assumption while holding other assumptions constant. In practice, it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

3.3.2 Compensated absence and Defined benefit plans (Contd.)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Gratuity		
Discount rate	6.90% to 7.19%	7.00% to 7.40%
Expected rate of salary increase	5.00% to 12.50%	5.00% to 11.80%
Average Longevity at retirement age - past service	1.79 to 17.74	1.94 to 17.50
Average Longevity at retirement age - future service	4.10 to 23.1	3.50 to 19.80
Attrition rate	1.00% to 38.00%	1.00% to 38.00%
Compensated Absences		
Discount rate	6.90% to 7.19%	7.00% to 7.40%
Expected rate of salary increase	5.00% to 12.50%	5.00% to 11.80%
Attrition rate	1.00% to 38.0%	1.00% to 38.00%
Other defined benefit plans		
Discount rate	6.97%	7.18%

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.

Amounts recognised in total comprehensive income in respect of these defined benefit plans and compensated absence are as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
Gratuity		
Current service cost	26.93	25.76
Net interest (income)	(0.70)	(0.42)
Components of defined benefit costs recognised in Consolidated profit or loss (A)	**26.23**	**25.34**
Remeasurement on the net defined benefit liability comprising:		
Actuarial loss / (gain) arising from changes in financial assumptions	22.56	(1.36)
Actuarial (gain) / loss arising from experience adjustments	(0.06)	7.49
Actuarial (gain) on plan assets	(1.83)	(2.14)
Components of defined benefit costs recognised in other comprehensive income (B)	**20.67**	**3.99**
Total (A+B)	**46.90**	**29.33**
Compensated absences and other defined benefit plans		
Current service cost	22.82	20.51
Net interest expense	9.78	9.46
Actuarial loss / (gain) arising from changes in financial assumptions	7.07	(0.51)
Actuarial (gain) arising from experience adjustments	(16.02)	(15.89)
Components of compensated absences and defined benefit costs recognised in profit or loss	**23.65**	**13.57**

The current service cost and the net interest expense for the year are included in ''Contribution to provident and other funds'' and "Salaries and wages" under employee benefits expense in Consolidated profit or loss [Refer Note 2.3].

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

3.3.2 Compensated absence and Defined benefit plans (Contd.)

The amount included in the Consolidated balance sheet arising from the Group's obligation in respect of its defined benefit plans and compensated absence are as follows:

Gratuity	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
Present value of defined benefit obligation	499.72	455.69
Fair value of plan assets	478.95	446.08
Net (liability) / asset arising from defined benefit obligation	**(20.77)**	**(9.61)**
Funded	(19.57)	(8.59)
Unfunded	(1.20)	(1.02)
Net (liability) / asset arising from defined benefit obligation	**(20.77)**	**(9.61)**
Compensated absences and other defined benefit plans		
Present value of defined benefit obligation	158.56	142.59
Fair value of plan assets	-	-
Net liability arising from Compensated absences and other defined benefit obligation (unfunded)	**158.56**	**142.59**

Gratuity is reflected in "Provision for employee benefits" / Gratuity asset under other current assets and Compensated absences is reflected in "Provision for employee benefits". [Refer Notes 1.17,1.23 and 1.30]

Movements in the present value of the defined benefit obligation in the current year were as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
Gratuity		
Opening defined benefit obligation	455.69	430.14
Current service cost	26.93	25.76
Interest cost	31.43	29.48
Actuarial loss / (gain) arising from changes in financial assumptions	22.56	(1.36)
Actuarial (gain) / loss arising from experience adjustments	(0.06)	7.49
Benefits paid	(36.83)	(35.82)
Closing defined benefit obligation	**499.72**	**455.69**
Compensated Absences and other defined benefit plans		
Opening defined benefit obligation	142.59	136.83
Current service cost	22.82	20.51
Interest cost	9.78	9.46
Actuarial loss / (gain) arising from changes in financial assumptions	7.07	(0.51)
Actuarial (gain) arising from experience adjustments	(16.02)	(15.89)
Benefits paid	(7.68)	(7.81)
Closing Compensated Absences and other defined benefit obligation	**158.56**	**142.59**

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

3.3.2 Compensated absence and Defined benefit plans (Contd.)

Movements in the fair value of plan assets were as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
Gratuity		
Opening fair value of plan assets	446.08	422.36
Interest on plan assets	32.13	29.90
Remeasurements due to actual return on plan assets less interest on plan assets	1.83	2.14
Contributions	35.74	27.50
Benefits paid	(36.83)	(35.82)
Closing fair value of plan assets	**478.95**	**446.08**

The actual return on plan assets was ₹ 33.96 crores (2022-23: ₹ 32.04 crores).

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
Gratuity		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	15.93	14.20
increase by	16.77	15.01
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	17.21	15.64
decrease by	16.39	14.76
Compensated Absences		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	5.65	4.89
increase by	6.02	5.21
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	5.80	5.02
decrease by	5.42	4.73

The sensitivity analysis presented above may not be representative of the actual change in the obligation, since the above analysis are based on change in an assumption while holding other assumptions constant. In practice, it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the obligation has been calculated using the projected unit credit method at the end of each reporting period, which is the same as that applied in calculating the liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

The Group expects to make a contribution of ₹ 57.43 crores (March 2023: ₹ 37.46 crores) to the defined benefit plans (gratuity - funded) during the next financial year.

The average duration of the benefit obligation (gratuity) is 7.1 years (March 2023: 7.2 years).

3.4 EARNINGS PER SHARE

	Year ended March 31, 2024	Year ended March 31, 2023
	₹	₹
Basic earnings per share	8.46	4.22
Diluted earnings per share	8.45	4.21
Face value per share	1.00	1.00

3.4.1 Basic and diluted earnings per share

	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
Profit for the year attributable to owners of the Parent Company	2,483.52	1,238.71

	Year ended March 31, 2024	Year ended March 31, 2023
	Nos.	Nos.
Weighted average number of equity shares used in the calculation of basic earnings per share	2,93,61,45,309	2,93,58,16,591
Adjustments :		
Dilutive effect - Number of shares relating to employee stock options	42,03,315	31,59,351
Weighted average number of equity shares used in the calculation of diluted earnings per share	**2,94,03,48,624**	**2,93,89,75,942**

3.5 SHARE BASED PAYMENTS

3.5.1a Details of employees stock option plan of the Group

The Parent Company has Employees Stock Options Plan (ESOP) scheme granted to employees which has been approved by the shareholders of the Parent Company. In accordance with the terms of the plan, eligible employees may be granted options to purchase equity shares of the Parent Company if they are in service on exercise of the grant. Each employee share option converts into one equity share of the Parent Company on exercise at the exercise price as per the scheme. The options carry neither rights to dividend nor voting rights. Options can be exercised at any time from the date of vesting to the date of their expiry.

The following share based payment arrangements were in existence during the current or prior year:

Option series	Number	Grant date	Expiry date	Exercise price ₹	Fair value at grant date ₹
ESOP 3 (Refer Note below)	20,00,000	July 19, 2017	July 19, 2027	83.50	57.42
ESOP 5 (Refer Note below)	1,31,00,000	March 20, 2019	March 20, 2030	91.40	40.19

A portion of ESOP 3 and a portion of ESOP 5 were forfeited during the year ended March 31, 2023.

Note:
Under ESOP 3 and ESOP 5 shares vest on varying dates within the expiry date mentioned above with an option life of 5 years after vesting.

3.5.2a Fair value of share options granted during the year

There are no options granted during the year. The weighted average fair value of the stock options granted during the financial year is ₹ Nil (2022-23: ₹ Nil). Options granted in the earlier years were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on Management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is based on the historical share price volatility.

3.5 SHARE BASED PAYMENTS (Contd.)

3.5.3a Movements in share options during the year

	Year ended March 31, 2024 Numbers	Weighted average exercise price ₹	Year ended March 31, 2023 Numbers	Weighted average exercise price ₹
Opening at the beginning of the year	96,35,000	90.74	1,27,70,000	90.41
Granted during the year	-	-	-	-
Forfeited / Lapsed during the year	-	90.78	25,35,000	90.78
Exercised during the year	2,00,000	83.50	6,00,000	83.50
Balance at the end of the year	94,35,000	90.90	96,35,000	90.74

Weighted Average share price on date of exercise of option ₹ 169.40 (2023: ₹ 156.50)

3.5.4a Share options vested but not exercised during the year

Nil (Year ended March 31, 2023: ESOP 3: 2,00,000 options, ESOP 5: 44,17,500 options)

3.5.5a Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 90.90 (as at March 31, 2023: ₹ 90.74) and a weighted average remaining contractual life of 4.81 years (as at March 31, 2023: 5.71 years).

3.5.1b Details of employees stock option plan of the Group

One of the Subsidiary of the Group has Employees Stock Options Plan (ESOP) scheme granted to employees which has been approved by its shareholders. In accordance with the terms of the plan, eligible employees may be granted options to purchase equity shares of the subsidiary. Each employee share option converts into one equity share of the subsidiary on exercise at the exercise price as per the scheme. The options carry neither rights to dividend nor voting rights. These are graded vesting options which vests on varying dates within the expiry date mentioned below with an option life of 5 years after vesting. Options can be exercised at any time within 5 years from the expiry date.

The following share based payment arrangements were in existence during the current or prior year:

Option series	Number	Grant date	Expiry date	Exercise price ₹
ESOP 1	70,58,500	July 19, 2018	July 18, 2021	10.00
ESOP 2	70,000	November 15, 2018	November 14, 2021	10.00
ESOP 3	2,55,000	February 12, 2019	February 11, 2022	10.00
ESOP 4	3,50,000	July 29, 2019	July 28, 2022	10.00
ESOP 5	1,90,000	November 6, 2019	November 5, 2022	10.00
ESOP 6	1,00,000	January 6, 2020	July 19, 2023	10.00
ESOP 7	1,95,000	April 23, 2021	July 19, 2023	12.00
ESOP 8	4,46,750	August 16, 2021	July 19, 2023	12.00
ESOP 9	62,46,000	November 30, 2022	November 30, 2026	11.97
ESOP 10	18,00,000	February 22, 2023	November 30, 2026	20.75
ESOP 11	13,00,000	October 1, 2023	September 27, 2027	24.12
ESOP 12	20,80,000	December 4, 2023	November 30, 2027	24.20

3.5.2b Fair value of share options granted during the year

There are 33,80,000 stock options issued during the financial year (the weighted average fair value of the stock options granted during FY-24 is ₹ 24.17). Options were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on Management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is based on the historical share price of similar listed Companies.

3.5 SHARE BASED PAYMENTS (Contd.)

3.5.3b Movements in share options during the year

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	Numbers	Weighted average exercise price (₹)	Numbers	Weighted average exercise price (₹)
Opening at the beginning of the year	1,22,61,000	12.61	59,53,500	10.00
Granted during the year	33,80,000	24.17	80,46,000	13.99
Exercised during the year *	17,38,750	10.05	14,51,000	10.05
Lapsed during the year	-	-	2,87,500	10.00
Balance at the end of the year	1,39,02,250	13.44	1,22,61,000	12.61

* Includes 5,09,750 stock options which are pending for allotment as on March 31, 2024.

3.5.4b Share options vested but not exercised during the year

Number of stock options vested but not exercised: 4,592,300 (March 31, 2023 : 3,743,276)

3.5.5b Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 13.44 (as at March 31, 2023: ₹ 12.61) and a weighted average remaining contractual life of 5 years (as at March 31, 2023: 5 years).

3.5.1c Details of employees stock option plan of the Group

One of the Subsidiary of the Group, has granted certain stock options to its employees under Employee stock option scheme, 2013 ("ESOP Scheme"). The employee stock options granted entitle the employees to purchase equity shares at an exercise price either at ₹ 10/- per option or fair value at the date of the grant as determined by the Nomination and Remuneration Committee of the said subsidiary at the date of grant. During the current year, the Subsidiary has not granted options to its employees under the ESOP Scheme. Options to employees are usually granted with a four-year graded vesting. The options would need to be exercised within 5 years (Till 2021 - 3 years) period from the date of vesting.

The following share based payment arrangements were in existence during the current or prior year:

Option series	Number	Grant date	Expiry date	Exercise price ₹	Fair value at grant date ₹
ESOP 1	25,500	March 26, 2014	Refer Note Below	10.00 to 37.95	27.95
ESOP 2	5,24,000	November 10, 2016	Refer Note Below	54.40	79.00
ESOP 4	2,60,000	January 29, 2018	Refer Note Below	110.00	110.00
ESOP 5	50,000	May 16, 2018	Refer Note Below	110.00	110.00
ESOP 6	50,000	October 17, 2018	Refer Note Below	110.00	110.00
ESOP 7	50,000	March 20, 2019	Refer Note Below	110.00	110.00
ESOP 8	1,60,000	May 22, 2019	Refer Note Below	110.00	110.00
ESOP 10	3,25,000	June 2, 2021	Refer Note Below	92.97	100.00

Note:
The Exercise Period shall commence from the date of Vesting and the Vested Options can be Exercised within a period of 5 years from date of Vesting of Option or till it is cancelled as per the provisions of the Scheme.

3.5.2c Fair value of share options granted during the year

The Subsidiary measures the compensation cost relating to the stock option using fair value method. The compensation cost is amortised over the vesting period of the stock option. The Subsidiary has accounted for the Employee stock options granted as per Ind AS 102 'Share based payment'. Accordingly, the subsidiary has recognised an expense of ₹ 1.59 crores towards employee stock compensation expense for the year ended March 31, 2024. (March 31, 2023: ₹ 0.80 crores)

3.5 SHARE BASED PAYMENTS (Contd.)

3.5.3c Movements in share options during the year

Particulars	Year ended March 31, 2024 Numbers	Weighted average exercise price ₹	Year ended March 31, 2023 Numbers	Weighted average exercise price ₹
Opening at the beginning of the year	13,10,500	84.20	14,44,500	84.55
Granted during the year	-	-	-	-
Reinitiated during the year	-	-	-	-
Forfeited during the year	89,000	54.40	7,000	54.40
Exercised during the year	1,42,500	88.89	1,27,000	88.89
Lapsed during the year	-	-	-	-
Balance at the end of the year	10,79,000	84.20	13,10,500	84.20

3.5.4c Share options vested but not exercised during the year

8,84,000 options were vested and outstanding as at the end of current year (March 31, 2023: 9,12,000).

3.5.5c Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 84.20 (March 31, 2023: ₹ 84.20)

3.6 FINANCIAL INSTRUMENTS

3.6.1 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group determines the amount of capital required on the basis of annual master planning and budgeting and corporate plan for working capital, capital outlay and long-term product and strategic involvements. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

The Group monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Group.

Particulars	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
Debt (long-term and short-term borrowings and lease liabilities net off effective interest rate adjustment)*	40,802.18	31,160.93
Total equity	11,814.59	10,795.81
Debt equity ratio	3.45	2.89
* includes borrowing in relation to financing activity	36,771.98	25,987.79

The capital adequacy ratio relating to subsidiaries engaged in financing activities is 17.26% (March 2023: 18.56%).

The quarterly returns or statements of current assets filed by the Group with Banks and Financial Institutions are in agreement with the books of account.

The Group has complied with covenants given under the facility agreements executed for its borrowings except for a covenant relating to the Parent Company which has no implication other than payment of a one-time charge and certain covenants relating to 3 subsidiaries wherein consent has been obtained for continuing the facilities.

3.6 FINANCIAL INSTRUMENTS (Contd.)

3.6.2 Financial risk management

In course of its business, the Group is exposed to certain financial risks that could have significant influence on the Group's business and operational / financial performance. These include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The respective company's Board reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

The Group uses derivative financial instruments to hedge risk exposures in accordance with the Group's policies as approved by the board of directors.

(A) Market risk

Market risk represent changes in market prices, liquidity and other factors that could have an adverse effect on realisable fair values or future cash flows to the Group. The Group's activities exposes it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

(1) Foreign currency risk management:

The Group undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Group actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through a centralised treasury division and uses derivative instruments such as foreign currency forward contracts and currency swaps to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by Management.

The carrying amounts of Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2024 (all amounts are in equivalent ₹ Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	886.60	528.14	358.46	527.02	471.08	55.94	(302.52)
EUR	8.34	2.19	6.15	2.30	-	2.30	(3.85)
GBP	0.21	-	0.21	15.85	3.09	12.76	12.55
JPY	1.21	0.82	0.39	-	-	-	(0.39)
SGD	114.46	114.46	-	-	-	-	-
CAD	-	-	-	2.09	-	2.09	2.09
AED	0.87	-	0.87	-	-	-	(0.87)
Others	4.23	-	4.23	12.17	-	12.17	7.94

As on March 31, 2023 (all amounts are in equivalent ₹ Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	1,000.08	641.23	358.85	332.55	361.41	(28.86)	(387.71)
EUR	25.70	6.63	19.07	1.90	-	1.90	(17.17)
GBP	0.07	-	0.07	2.32	-	2.32	2.25
JPY	2.33	0.32	2.01	-	-	-	(2.01)
SGD	172.21	172.21	-	-	-	-	-
CAD	-	-	-	2.07	-	2.07	2.07
AED	0.53	-	0.53	-	-	-	(0.53)
Others	8.39	-	8.39	5.97	-	5.97	(2.42)

3.6 FINANCIAL INSTRUMENTS (Contd.)

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's revenues from its operations. Any weakening of the functional currency may impact the Group's export proceeds, import payments and cost of borrowings.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on the other components of equity arises from foreign currency forward contracts designated as cash flow hedges. The following table details the Group's sensitivity movement in increase/decrease in foreign currency exposures (net):

₹ Crores

	USD impact	
	March 31, 2024	March 31, 2023
Profit or loss	6.05	7.75
Equity	6.05	7.75

	EUR impact	
	March 31, 2024	March 31, 2023
Profit or loss	0.08	0.34
Equity	0.08	0.34

	SGD impact	
	March 31, 2024	March 31, 2023
Profit or loss	-	-
Equity	-	-

	GBP impact	
	March 31, 2024	March 31, 2023
Profit or loss	0.25	0.05
Equity	0.25	0.05

	JPY impact	
	March 31, 2024	March 31, 2023
Profit or loss	0.01	0.04
Equity	0.01	0.04

	CAD impact	
	March 31, 2024	March 31, 2023
Profit or loss	0.04	0.04
Equity	0.04	0.04

	AED impact	
	March 31, 2024	March 31, 2023
Profit or loss	0.02	0.01
Equity	0.02	0.01

	Impact of other currencies	
	March 31, 2024	March 31, 2023
Profit or loss	0.16	0.05
Equity	0.16	0.05

3.6 FINANCIAL INSTRUMENTS (Contd.)

The following table details the foreign currency forward contracts outstanding at the end of the reporting period:

March 31, 2024	Foreign currency (in Crores)		Notional value (₹ Crores)	Fair value assets / (liabilities)* (₹ Crores)	Maturity Date	Hedge ratio	Weighted Average Rate
Cash flow hedges:							
Sell USD - Buy INR	USD	0.56	47.03	(0.04)	April 2024 - May 2024	1 : 1	USD 1 : INR 83.45
Buy USD - Sell INR	USD	0.56	46.97	0.03	April 2024 - May 2024	1 : 1	USD 1 : INR 83.45
Fair value hedges:							
Buy USD - Sell INR	USD	0.49	41.20	0.04	April 2024 - May 2024	1 : 1	USD 1 : INR 83.44
Sell USD - Buy INR	USD	5.65	471.15	(1.09)	April 2024 - June 2024	1 : 1	USD 1 : INR 83.26
Buy EUR - Sell INR	EUR	0.02	2.19	#	April 2024 - May 2024	1 : 1	EUR 1 : INR 90.30
Buy JPY - Sell INR	JPY	1.50	0.82	#	May 2024	1 : 1	JPY 1 : INR 0.56
Sell GBP - Buy INR	GBP	0.03	3.09	0.01	June 2024	1 : 1	GBP 1 : INR 105.03

March 31, 2023	Foreign currency (in Crores)		Notional value (₹ Crores)	Fair value assets / (liabilities)* (₹ Crores)	Maturity Date	Hedge ratio	Weighted Average Rate
Cash flow hedges:							
Sell USD - Buy INR	USD	1.01	82.85	0.52	April 2023 - June 2023	1 : 1	USD 1 : INR 82.88
Buy USD - Sell INR	USD	1.01	82.86	(0.62)	April 2023 - June 2023	1 : 1	USD 1 : INR 82.98
Buy JPY - Sell INR	JPY	0.68	0.42	#	April 2023	1 : 1	JPY 1 : INR 0.62
Fair value hedges:							
Buy USD - Sell INR	USD	1.12	92.12	(0.62)	April 2023 - June 2023	1 : 1	USD 1 : INR 82.92
Sell USD - Buy INR	USD	4.43	364.41	1.21	April 2023 - June 2023	1 : 1	USD 1 : INR 82.63
Buy EUR - Sell INR	EUR	0.07	6.63	0.08	May 2023	1 : 1	EUR 1 : INR 89.02
Buy JPY - Sell INR	JPY	0.51	0.32	#	April 2023 - May 2023	1 : 1	JPY 1 : INR 0.62

* included in the balance sheet under 'Current-other financial assets' and 'Current-other financial liabilities'. [Refer notes 1.15 and 1.28]
# amount is below rounding off norms adopted by the Group.

(2) Interest rate risk management:

The Group is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies. Further, in appropriate cases, the Group also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates vice versa using interest rate swap contracts.

The exposure of the group's borrowings to interest rate changes at the end of the reporting period are as follows:

	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
Variable rate Borrowings	35,076.18	26,145.58
Fixed rate Borrowings *	5,422.83	4,710.45
	40,499.01	**30,856.03**

*includes variable rate borrowings amounting to ₹ 389.95 crores (March 31, 2023: ₹ 715.88 crores) subsequently converted to fixed rate borrowings through swap contracts

Of the above, variable rate borrowings amounting to ₹ 33,119.55 crores (March 31, 2023: ₹ 23,736.50 crores) and fixed rate borrowings amounting to ₹ 3,582.76 crores (March 31, 2023: ₹ 2,198.88 crores) relates to financing activity.

3.6 FINANCIAL INSTRUMENTS (Contd.)

Interest rate sensitivity analysis

(a) For businesses other than financing activities:

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. Interest rate sensitivity is performed at 25 basis points, as these rates are used by the Management regularly in assessing the reasonable possible changes in the interest rates.

If interest rates had been 25 basis points higher / lower, the Group's profit / loss for the year ended March 31, 2024 would decrease / increase by ₹ 4.89 crores (2022-23: decrease / increase by ₹ 6.02 crores). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

(b) For business relating to financing activities:

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The weighted average interest rate on variable rate borrowing is around 8.64% p.a (March 31, 2023: 7.88% p.a). For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. Interest rate sensitivity is performed at 25 basis points, as these rates are used by the Management regularly in assessing the reasonable possible changes in the interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2024 would decrease / increase by ₹ 71.07 crores (2022-23: decrease / increase by ₹ 50.93 crores). The corresponding impact on profit after tax and equity is ₹ 53.19 crores (2022-23 ₹ 38.11 crores). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

All the financial assets except housing loans and loan against property are fixed rate instruments. In relation to housing loans and loan against property the interest rate sensitivity analysis are provided below :

		March 31, 2024	March 31, 2023
		₹ Crores	₹ Crores
Housing Loans	Increase / decrease of 100 basis points	88.73	59.97
Loan against Property	Increase / decrease of 50 basis points	21.23	-

(3) Foreign currency and interest rate sensitivity analysis for swap contracts:

The Group has taken foreign currency and interest rate swap (FCIRS) contracts for hedging its foreign currency and interest rate risks related to certain external commercial borrowings. The mark-to-market gains/(loss) as at March 31, 2024 is ₹ 54.69 crores (March 31, 2023: ₹ 96.93 crores). If the foreign currency movement is 2% higher/ lower and interest rate movement is 200 basis points higher / lower with all other variables remaining constant, the Group's profit/loss for the year ended March 31, 2024 would approximately decrease/ increase by ₹ Nil (year ended March 31, 2023: decrease / increase by ₹ Nil). Of the above ₹ 1.65 crores of foreign currency and interest rate sensitivity relates to financing activity.

(4) Equity price risk:

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. The fair value of some of the Group's investments exposes the Group to equity price risks. In general, these securities are not held for trading purposes.

(B) Credit risk

(a) For businesses other than financing activities:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group is exposed to credit risk from trade receivables, bank balances, financial guarantees and other financial assets.

<u>Credit risk on Trade receivables</u>:

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee cover is taken. The Parent Company operates predominantly on cash and carry basis excepting sale to State Transport Undertaking (STU), Government project customers based on tender terms and certain export / domestic customers which are on credit basis. The average credit period is in the range of 7 days to 90 days.However, in select cases, credit is extended which is backed by Security deposit/ Bank guarantee/ Letter of credit and other forms. The Group creates specific provisions for disputes and the expected credit losses for such receivables are insignificant. The Group's trade and other receivables,consists of a large number of customers,across geographies,hence the Group is not exposed to concentration risk except in case of a STU in relation to the Parent Company.

The Group makes a loss allowance using simplified approach for expected credit loss and on a case to case basis. ECL are the weighted average of credit losses with the expected risk of default occurring as the weights (historically not significant). ECL is difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive.The ageing on trade receivable is given in note 1.12.

Expected credit loss for other than trade receivables has been assessed and based on life-time expected credit loss, loss allowance provision has been made. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

3.6 FINANCIAL INSTRUMENTS (Contd.)

(b) For business relating to financing activities:

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Receivables consist of a large number of customers, spread across diverse categories of products. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee cover is taken. The Group does not have a credit risk to an individual customer in excess of 5%. The Group's concentrations of risk are managed by client / counterparty and industry sector. The following table shows the risk concentration by industry for the significant components of the financial assets:

₹ Crores

Particulars	March 31, 2024			March 31, 2023		
	Financial services	Retail and wholesale	Total	Financial services	Retail and wholesale	Total
Investments	1,899.51	-	1,899.51	1,817.83	-	1,817.83
Loans	-	38,339.21	38,339.21	-	28,327.81	28,327.81

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. The Group runs models for its key portfolios which incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. Probability of Defaults (PD) are then adjusted for Ind AS 109 ECL calculations to incorporate forward looking information and the Ind AS 109 Stage classification of the exposure.

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 Group assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Group determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios.

The accounts which were restructured under the Resolution Framework for COVID-19 related stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) were initially classified under Stage 2. As at 31 March 2024, the restructured loans were grouped in the respective stages as per the days past due as at 31 March 2024.

The credit risk assessment is based on a standardised Loss Given Default (LGD) assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held. The Group segments its lending products into smaller homogeneous portfolios. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics. Further recent data and forward-looking economic scenarios are used in order to determine the Ind AS 109 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios.

Expected credit loss provision matrix for financing activities is as follows:

Ageing (weighted average across various portfolios)			March 31, 2024	March 31, 2023
	Staging	Provisions	Expected Credit Loss %	Expected Credit Loss %
0-30 days past due	Stage 1	12 month provision	0.48%	0.17%
30-90 days past due	Stage 2	Life time provision	4.87%	8.19%
More than 90 days past due	Stage 3	Life time provision	38.77%	34.34%

Grouping

As per Ind AS 109, the Group is required to group the portfolio based on the shared risk characteristics. The Group has assessed the risk and its impact on the various portfolios and has divided the portfolio into Two wheeler loans, Vehicle loans, Loan against property, Construction equipment ,Three wheeler loans and Housing Loans. The below table represents gross exposures excluding the value of the underlying collaterals.

3.6 FINANCIAL INSTRUMENTS (Contd.)

Expected credit loss for loans and investments relating to financing activity

₹ Crores

Particulars	March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Investments				
Estimated gross carrying amount at default	1,346.83	-	804.56	2,151.39
Expected probability of default	-	-	-	-
Expected credit losses	-	-	(251.88)	(251.88)
Carrying amount net of impairment provision	**1,346.83**	**-**	**552.68**	**1,899.51**
Loans				
Estimated gross carrying amount at default	34,403.22	3,322.84	1,533.71	39,259.77
Expected probability of default	0.05% to 7.80%	2.50% to 43.29%	100%	0.05% to 100%
Expected credit losses	(164.22)	(161.71)	(594.63)	(920.56)
Carrying amount net of impairment provision	**34,239.00**	**3,161.13**	**939.08**	**38,339.21**

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Investments				
Estimated gross carrying amount at default	1,039.07	-	938.19	1,977.26
Expected probability of default	-	-	-	-
Expected credit losses	-	-	(159.43)	(159.43)
Carrying amount net of impairment provision	**1,039.07**	**-**	**778.76**	**1,817.83**
Loans				
Estimated gross carrying amount at default	24,833.03	2,924.14	1,299.74	29,056.91
Expected probability of default	0.10% to 4.74%	1.67% to 9.70%	100%	0.10% to 100%
Expected credit losses	(43.18)	(239.52)	(446.40)	(729.10)
Carrying amount net of impairment provision	**24,789.85**	**2,684.62**	**853.34**	**28,327.81**

Movement in Expected credit loss allowance for loans and investments relating to financing activity

₹ Crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Balance as at April 1, 2022	**25.91**	**298.12**	**510.62**	**834.65**
Assets derecognised or repaid	(2.71)	(22.71)	(103.94)	(129.36)
Assets originated or purchased	24.08	36.62	15.95	76.65
Change in the measurement from 12 month to life time expected losses and vice versa	(7.87)	(71.93)	263.71	183.91
Write offs	3.15	-	(239.91)	(236.76)
Balance as at March 31, 2023	**42.56**	**240.10**	**446.43**	**729.09**
Assets derecognised or repaid	(5.37)	(10.27)	(102.63)	(118.27)
Assets originated or purchased	130.71	(82.31)	132.36	180.76
Change in the measurement from 12 month to life time expected losses and vice versa	(3.68)	14.19	118.47	128.98
Write offs	-	-	-	-
Balance as at March 31, 2024	**164.22**	**161.71**	**594.63**	**920.56**

The Credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

3.6 FINANCIAL INSTRUMENTS (Contd.)

Concentration of credit risk for financing activities

The subsidiaries engaged in financing activities monitors concentration of credit risk as below:

Particulars	Type of counter party	As at March 31, 2024	As at March 31, 2023
		₹ Crores	₹ Crores
Concentration by type of loan:			
- Commercial and other vehicles	Retail	23,808.17	17,057.28
- Loan against property	Retail	6,343.41	4,407.50
- Housing loans	Retail	9,108.19	5,986.89
- Term loans	Corporate	-	1,605.24
Total		**39,259.77**	**29,056.91**
In India		39,259.77	29,056.91
Outside India		-	-

The subsidiaries engaged in financing activities has considered macro economic factors such as Gross Domestic Product and Industrial Production for calculation of Probability of Default (PD). RBI vide Circular dated November 12, 2021 and further clarified vide circular dated February 15, 2022. - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications" has clarified / harmonized certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of lRACP norms across all lending institutions. The subsidiaries engaged in financing activities has complied with the said norms with effect from 01 October 2022. In addition to the above, these subsidiaries make investments in pass through securities, debentures, funds, and security receipts all of which are exposures to other financial institutions in India. The exposure to such parties as at March 31, 2024 and March 31, 2023 are ₹ 1,899.51 crores and ₹ 1,817.83 crores respectively.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

Changes in objectives, policies and processes for managing the risk for financing activities

There is no significant changes as compared to the previous year in the objectives, policies and processes followed by the Group for managing the risk.

Under Ind AS 109, all financial assets need to be assessed based on their cash flow characteristics and the business model in which they are held in order to determine their classification.

The Group's assessment of business model concluded that "Loans to Customers" excluding two wheeler loans, three wheeler loans, tractor loans, corporate term loans, unsecured loans, housing loans are not intended to be held for maturity. Accordingly, loan to customers other than above have been accounted at Fair Value Through Other Comprehensive Income ('FVOCI').

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Group does not have the right to offset in case of the counterparty's bankruptcy, therefore, these disclosures are not required.

(C) Liquidity risk

Liquidity risk refers to the risk that the Group cannot 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 requirements. The Group has obtained fund and non-fund based working capital limits from various banks. Furthermore, the Group has access to funds from debt markets through commercial paper programs, non-convertible debentures, and other debt instruments. The Group invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark-to-market risks.

3.6 FINANCIAL INSTRUMENTS (Contd.)

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
From Banks		
- Secured	11,633.97	10,956.10
- Unsecured	2,816.54	699.50
Total	**14,450.51**	**11,655.60**

Further to the above, the Parent Company has an option to issue commercial paper for an amount of ₹ 2,000 crores (March 31, 2023: ₹ 2,000 crores).The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below summarises the maturity profile remaining contractual maturity period at the balance sheet date for its non-derivative financial liabilities based on the undiscounted cash flows :

₹ Crores

March 31, 2024	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	6,798.02	-	-	6,798.02
Other financial liabilities	3,210.70	125.76	-	3,336.46
Borrowings	16,870.70	28,724.40	2,668.40	48,263.50
Lease Liabilities	80.66	184.41	92.40	357.47
	26,960.08	**29,034.57**	**2,760.80**	**58,755.45**

March 31, 2023	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	7,581.87	-	-	7,581.87
Other financial liabilities	1,362.78	164.01	-	1,526.79
Borrowings	11,805.53	18,418.52	1,310.07	31,534.12
Lease Liabilities	61.90	156.72	84.37	302.99
	20,812.08	**18,739.25**	**1,394.44**	**40,945.77**

As there is immaterial expected credit loss on the financial guarantees given to group companies, the Parent Company has not recognised a liability towards financial guarantee as at the end of the reporting period. Accordingly, not included in the above table.

The table below summarises the maturity profile for its derivative financial liabilities based on the undiscounted contractual net cash inflows and outflows on derivative liabilities that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

₹ Crores

March 31, 2024	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Currency and interest rate swaps	-	1.65	1.65
Foreign exchange forward contracts	1.13	-	1.13
	1.13	**1.65**	**2.78**

March 31, 2023	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Foreign exchange forward contracts	1.43	-	1.43
	1.43	**-**	**1.43**

3.6 FINANCIAL INSTRUMENTS (Contd.)

3.6.3 Categories of Financial assets and liabilities:

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
Financial assets		
a. Investments - Accounted for using equity method (net of impairment)	129.12	63.66
b. Measured at amortised cost:		
Investments	1,231.22	602.03
Cash and cash equivalents	5,217.32	1,908.58
Other bank balances	1,862.73	278.14
Trade receivables (net of allowance)	3,900.70	4,190.20
Loans (net of allowance)	14,856.63	13,412.94
Others (net of allowance)	1,255.09	1,179.42
c. Mandatorily measured at fair value through profit or loss (FVTPL) / Other Comprehensive Income (OCI):		
Investments	968.27	4,186.66
Loans (net of allowance)*	23,482.58	14,914.87
Derivatives designated as hedging instruments	53.12	98.93
Financial liabilities		
a. Measured at amortised cost:		
Borrowings	40,564.34	30,920.44
Trade payables	6,798.02	7,581.87
Other financial liabilities	3,494.67	1,674.00
b. Mandatorily measured at fair value through profit or loss (FVTPL) / Other Comprehensive Income (OCI):		
Derivatives designated as hedging instruments	2.78	1.43
Earnout liability	63.77	90.34

*These are loans relating to financing activities which are measured at fair value through OCI (recurring fair value measurements- Level 3) and the fair value gain accounted during the year amounts to ₹ 768.55 crores (March 31, 2023: gain ₹ 122.97 crores)

3.6.4 Fair value measurements:

(A) Financial assets and liabilities that are not measured at fair values but in respect of which fair values are as follows:

The carrying amounts of current financial assets and liabilites are considered to be the same as their fair values, due to their short-term nature. Difference between fair value of non-current financial instruments carried at amortised cost and their carrying value is not considered to be material to the financials statements. The fair values for loans and security deposits are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values :

₹ Crores

	March 31, 2024		March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets held at amortised cost:				
- Investments relating to financing activities	1,231.22	1,231.22	602.03	602.03
- Loans relating to financing activities	14,856.63	14,856.63	13,412.94	13,412.94
- Other financial assets relating to financing activities	636.55	636.55	613.11	613.11
Financial liabilities				
Financial liabilities held at amortised cost:				
- Redeemable non-convertible debentures (relating to financing activities)	431.05	431.05	1,084.10	1,084.10
- Subordinated redeemable non-convertible debentures and loans (relating to financing activities)	1,672.63	1,672.63	918.36	918.36
- Commercial Paper	1,479.08	1,479.08	196.42	196.42
- Term loans (relating to financing activities)	33,119.55	33,119.55	23,736.50	23,736.50

3.6 FINANCIAL INSTRUMENTS (Contd.)

	Fair value hierarchy as at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held at amortised cost:				
- Investments relating to financing activities	-	-	1,231.22	**1,231.22**
- Loans relating to financing activities	-	-	14,856.63	**14,856.63**
- Other financial assets relating to financing activities	-	-	636.55	**636.55**
Financial liabilities				
Financial liabilities held at amortised cost:				
- Redeemable non-convertible debentures (relating to financing activities)	-	431.05	-	**431.05**
- Subordinated redeemable non-convertible debentures and loans (relating to financing activities)	-	1,672.63	-	**1,672.63**
- Commercial Paper	-	1,479.08	-	**1,479.08**
- Term loans (relating to financing activities)	-	-	33,119.55	**33,119.55**

	Fair value hierarchy as at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held at amortised cost:				
- Investments relating to financing activities	-	-	602.03	602.03
- Loans relating to financing activities	-	-	13,412.94	13,412.94
- Other financial assets relating to financing activities	-	-	613.11	613.11
Financial liabilities				
Financial liabilities held at amortised cost:				
- Redeemable non-convertible debentures (relating to financing activities)	-	1,084.10	-	1,084.10
- Subordinated redeemable non-convertible debentures and loans (relating to financing activities)	-	918.36	-	918.36
- Commercial Paper	-	196.42	-	196.42
- Term loans (relating to financing activities)	-	-	23,736.50	23,736.50

The fair values of the financial liabilities included in the level 2 and level 3 categories have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the differences in the rates from date of initial recognition to the reporting dates.

The carrying value and fair value of investments and loans at amortised cost is gross of ECL provision.

The significant inputs were:

a) the estimate of cash flows; and

b) the discount rate to compute the present value of the future expected cash flows

c) decrease in the estimated cash inflows in isolation would result in a significant decrease in the fair value.

3.6 FINANCIAL INSTRUMENTS (Contd.)

(B) Financial assets and financial liabilities that are measured at fair value on a recurring basis as at the end of each reporting period:

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values for material financial assets and material financial liabilities have been determined (in particular, the valuation technique(s) and inputs used) :

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2024	March 31, 2023		
Derivative instruments, i.e. forward foreign currency contracts, currency and interest rate swaps	Assets – ₹53.12 crores; and Liabilities – ₹2.78 crores	Assets – ₹98.93 crores; and Liabilities – ₹1.43 crores	Level 2	Discounted future cash flows which are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of the Group/ various counterparties. Further, in case of swap contracts, the future estimated cash flows also consider forward interest rates (from observable yield curves at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of the Group/ various counterparties.

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	March 31, 2024	March 31, 2023				
Investments in mutual funds	₹ 225.16 crores	₹ 3,171.40 crores	Level 1	Net assets value in an active market	Not applicable	Not applicable
Loans relating to financing activities	₹ 23,482.58 crores	₹ 14,914.87 crores	Level 3	Income approach – in this approach, the discounted cash flow method used to capture the present value of the expected future economic benefits	The significant inputs were: a) the estimated cash flows, and b) the discount rate to compute the present value of the future expected cash flows	A slight decrease in the discount rate used would result in a significant increase in the fair value. (Note 4)

3.6 FINANCIAL INSTRUMENTS (Contd.)

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	March 31, 2024	March 31, 2023				
Investments in unquoted equity shares and Investment in special limited partnership	Equity shares of: Hinduja Energy (India) Limited - ₹ 22.01 crores (Refer Note 1.3) Others - ₹ 52.81 crores (Refer Note 1.3)	Equity shares of: Hinduja Energy (India) Limited - ₹ 147.00 crores (Refer Note 1.3) Others - ₹ 52.44 crores (Refer Note 1.3)	Level 3	Income approach and Net Asset Value (Realisable value) approach – in these approaches, the cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these equity instruments	The significant inputs were: a) the estimated cash flows; and b) the discount rate to compute the present value of the future expected cash flows	A slight decrease in the estimated cash inflows in isolation would result in a significant decrease in the fair value. (Note 2 and 3)
Investments in security receipts relating to financing activities	₹ 611.79 crores	₹ 779.09 crores	Level 3	The discounted cashflow method used to capture the present value of expected future economic benefits after providing for the impairment loss	a) Estimated future cash flow and its realisable value B) Estimated of Notional loss of underlying assets	Not applicable
Investments in quoted equity shares	₹ 56.50 crores	₹ 36.73 crores	Level 1	Share price in active market	Not applicable	Not applicable
Earnout Liability	₹ 63.77 crores	₹ 90.34 crores	Level 3	The fair value of the contingent consideration is determined by discounting the estimated amount payable, on satisfication of the conditions, by applying discounted cash flow approach	Not applicable	Not applicable

Notes:

1) There were no transfers between Level 1, 2 and 3 during the year.

2) Other things remaining constant, a 50 basis points increase/ decrease in the WACC or discount rate used would decrease/ increase the fair value of the unquoted equity instruments by ₹ 22.01 crores / ₹ 27.09 crores (as at March 31, 2023: ₹ 14.98 crores / ₹ 14.37 crores).

3) Other things remaining constant, a 5% increase/ decrease in the revenue would increase / decrease the fair value of the unquoted equity instruments by ₹ 63.53 crores / ₹ 22.01 crores (as at March 31, 2023: ₹ 48.61 crores / ₹ 49.59 crores).

4) A 100 basis points increase / decrease in the discount rate used would decrease / increase the fair value of loans relating to financing activities by ₹ 393.10 crores / ₹ 408.13 crores (as at March 31, 2023: ₹ 286.09 crores / ₹ 297.03 crores).

5) Gain / loss recognised in profit or loss included in other income (Refer Note 2.2) arising from fair value measurement of Level 3 financial assets is gain of ₹ 0.71 crores (as at March 31, 2023: gain of ₹ 2.63 crores). The Group has also recorded a fair value loss of ₹ 124.99 crores (March 31, 2023: gain of ₹ 65.67 crores) in equity investment of Hinduja Energy (India) Limited and presented the same under exceptional items in Note 2.7.

6) During the current year, the step down subsidiary company (Hinduja Housing Finance Limited) has assessed business model for managing financial assets and concluded that non-housing loans (excluding NPA and refinance loans) portfolio has been held to collect contractual cash flows and sales; accordingly, it has been classified at fair value through other comprehensive income. The fair value of these loan assets as at March 31, 2024 is ₹ 2,569.18 crores, including a gain of ₹ 431.95 crores has been recognised in other comprehensive income ("OCI").

3.6.5 Collateral and other credit enhancements related disclosures for financing activities:

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

3.7 REVENUE FROM CONTRACTS WITH CUSTOMERS

3.7.1 Disaggregated revenue information

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
Type of goods and service		
a) Sale of products		
- Commercial vehicles	33,951.37	32,741.15
- Engines and gensets	1,306.33	991.41
- Ferrous castings and patterns	508.77	609.33
- Spare parts and others	3,561.58	2,587.26
	39,328.05	**36,929.15**
b) Sale of services		
- Freight and related services	787.42	596.25
- Annual Maintenance Contracts (AMC)	286.36	253.26
- IT and engineering services	567.22	354.40
- Others (includes extended warranty services)	553.11	326.46
	2,194.11	**1,530.37**
c) Other operating revenues		
- Scrap sales	124.18	118.19
- Others	17.70	14.97
	141.88	**133.16**
Less: Rebates and discounts	751.89	619.10
Total revenue from contracts with customers	**40,912.15**	**37,973.58**
India	37,168.59	34,339.99
Outside India	3,743.56	3,633.59
Total revenue from contracts with customers	**40,912.15**	**37,973.58**

₹ Crores

Timing of revenue recognition	Year ended March 31, 2024		Year ended March 31, 2023	
Particulars	At a point in time	Over a period of time	At a point in time	Over a period of time
- Sale of products and other operating revenue	39,464.76	5.17	37,050.14	12.17
- Sale of Services - Freight and related services	221.04	566.38	23.05	573.20
- Sale of Services - IT and engineering	-	567.22	-	354.40
- Sale of Services - AMC and Others (includes extended warranty services)	111.80	727.67	229.68	350.04
Less: Rebates and discounts	751.89	-	619.10	-
Total revenue from contracts with customers	**39,045.71**	**1,866.44**	**36,683.77**	**1,289.81**

3.7.2 Contract balances

Particulars	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
Trade receivables (Refer Notes 1.4 and 1.12)	3,900.70	4,190.20
Contract assets (Refer Note 1.16)	47.09	32.84
Contract liabilities (Refer Notes 1.22 and 1.29)	840.04	708.39

Contract assets are unbilled revenue earned from AMC and other services which are recognised upon completion of service. Upon billing as per the terms of the contract, the amounts recognised as contract assets are reclassified to trade receivables.

Trade receivables are non - interest bearing and are generally on terms of 7 to 90 days (Refer Credit risk Note 3.6.2 (B)).

Contract liabilities includes advance received from customers and income received in advance arising due to allocation of transaction price towards maintenance contracts, freight on shipments not yet delivered to customer and unexpired service warranties. There is no significant change in contract liabilities.

3.7 REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

3.7.3 Revenue recognised in relation to contract liabilities

Particulars	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
Revenue recognised from contract liabilities at the beginning of the year	465.27	489.19
Revenue recognised from performance obligations satisfied in previous years	0.34	5.22

3.7.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	March 31, 2024	March 31, 2023
	₹ Crores	₹ Crores
Contracted price	41,664.04	38,592.68
Adjustments		
Rebates and discounts	(751.89)	(619.10)
Revenue from contracts with customers	**40,912.15**	**37,973.58**

3.7.5 Unsatisfied or partially unsatisfied Performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
Within one year	684.10	520.66
More than one year	300.16	256.24
	984.26	**776.90**

The remaining performance obligations expected to be recognised in more than one year relate to the extended warranty and other obligation which is expected to be recognised over a period of 24 months to 72 months. The Group applies practical expedient of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of less than a year.

3.8 SEGMENT RELATED DISCLOSURES

The Group's operating segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system as per Ind AS 108. The Group is engaged in the business of manufacturing of Commercial Vehicles and rendering Financial Services mainly relating to vehicle and housing financing.

	Particulars	Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
i	**Segment Revenue**		
	Commercial vehicle	40,956.35	38,024.72
	Financial service	4,836.96	3,649.54
	Gross Revenue	**45,793.31**	**41,674.26**
	Less: Inter-segmental revenue	2.67	1.66
	Revenue from operations	**45,790.64**	**41,672.60**
ii	**Segment Results**		
	Commercial vehicle	3,614.68	1,819.40
	Financial service (after deducting interest expense on loan financing)	845.50	656.52
	Total Segment Profit before Interest and Tax	**4,460.18**	**2,475.92**
	Interest Expense	(426.85)	(376.74)
	Other Income	140.58	107.11
	Share of profit of associates and joint ventures (net)	16.38	10.75
	Exceptional items	(84.22)	47.89
	Profit / (Loss) before Tax	**4,106.07**	**2,264.93**
	Less: Tax	1,409.73	906.11
	Profit / (Loss) after Tax (including share of profit of associate and joint venture)	**2,696.34**	**1,358.82**
iii	**Segment Assets**		
	Commercial vehicle	22,505.58	22,416.28
	Financial service	45,154.88	32,329.73
	Total Segment Assets	**67,660.46**	**54,746.01**
iv	**Segment Liabilities**		
	Commercial vehicle	17,787.37	17,129.31
	Financial service	38,058.50	26,820.89
	Total Segment Liabilities	**55,845.87**	**43,950.20**
v	**Addition to Non-current asset**		
	Commercial vehicle	875.88	1155.73
	Financial service	322.06	62.56
	Total Addition to Non-current asset	**1,197.94**	**1,218.29**

For the amount of investments in associates and joint ventures accounted for by the equity method refer note 1.3

The Group's segment based on geography is given below:

Revenue from Operations	2024	2023
In India	42,047.08	38,039.01
Outside India	3,743.56	3,633.59
Total	**45,790.64**	**41,672.60**

Non-Current Asset	2024	2023
In India	8,303.80	7,938.12
Outside India	763.48	806.83
Total	**9,067.28**	**8,744.95**

3.9 RELATED PARTY DISCLOSURE

a) *List of parties where control exists*

Holding company

Hinduja Automotive Limited, United Kingdom
Machen Holdings SA
(Holding Company of Hinduja Automotive Limited, United Kingdom)
Machen Development Corporation, Panama
(Holding Company of Machen Holdings SA)
Amas Holdings SPF*
(Holding Company of Machen Development Corporation, Panama)

b) *Other related parties*

Fellow subsidiaries

Gulf Oil Lubricants India Limited
DA Stuart India Private Limited
Prathama Solarconnect Energy Private Limited
Hinduja Renewables Private Limited
Gulf RAK Lube Oil (Ras Al Khaimah)
Gulf Oil Middle East Limited
HR Vaigai Private Limited
OHM International Mobility Limited, United Kingdom .... From August 2, 2021, Upto August 23, 2022
OHM Global Mobility Private Limited .... From March 8, 2021, Upto August 23, 2022
GOCL Corporation Limited

Associates

Ashok Leyland Defence Systems Limited
Lanka Ashok Leyland PLC
Mangalam Retail Services Limited

Joint Ventures

Ashley Alteams India Limited
Ashok Leyland John Deere Construction Equipment Company Private Limited (Along with Gulf Ashley Motor Limited) [under liquidation]
Zebeyond Limited, UK ....from December 21, 2022
TVS Trucks and Buses Private Limited ....from February 23, 2024

Entities where control exist

Ashok Leyland Educational Trust

Entities under the significant influence of Key Management Personnel

Hinduja Investments and Project services limited
S.P. Hinduja HUF Bigger

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.9 RELATED PARTY DISCLOSURE (Contd.)

Employees Trust

Ashok Leyland Employees Gratuity Fund
Ashok Leyland Superannuation Fund
Ashok Leyland Employees Ennore Provident Fund Trust
Ashok Leyland Senior Executives Provident Fund Trust
Ashok Leyland Employees Hosur Provident Fund Trust
Ashok Leyland Employees Bhandara Provident Fund Trust
Ashok Leyland Employees Alwar Provident Fund Trust
Ennore Foundries Limited Employees Provident Fund
Ennore Foundries Gratuity Fund
Ennore Foundries Employees Pension cum Insurance Fund
Ennore Foundries Senior Executives Superannuation Fund
Global TVS Employees Gratuity Fund

Key Management Personnel

Mr. Dheeraj G Hinduja, Executive Chairman
Mr. Shenu Agarwal, Managing Director and CEO .... From December 8, 2022
Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer
Prof. Dr. Andreas H Biagosch
Dr. Andrew C Palmer .... Upto November 3, 2022
Mr. Jean Brunol
Mr. Jose Maria Alapont
Ms. Manisha Girotra
Mr. Sanjay K Asher
Mr. Saugata Gupta
Mr. Shom Ashok Hinduja
Dr. CB Rao

Note:

Transaction with Rajalakshmi Wind Energy Limited (erstwhile Ashok Leyland Wind Energy Limited) and Prathama Solarconnect Energy Private Limited have not been disclosed as being with associate since the Parent Company does not have significant influence over Rajalakshmi Wind Energy Limited and Prathama Solarconnect Energy Private Limited, although the Parent Company holds 26% of the equity share capital of Rajalakshmi Wind Energy Limited and Prathama Solarconnect Energy Private Limited respectively.

* The Parent Company has intimated Ocorian Trust (Isle Of Man) Limited as significant beneficial owner pursuant to the Companies (Significant Beneficial Owners) Rules, 2018

3.9 RELATED PARTY DISCLOSURE (Contd.)

c) Related Party Transactions - summary

₹ Crores

Transactions during the year ended March 31	Fellow Subsidiaries 2024	Fellow Subsidiaries 2023	Associates 2024	Associates 2023	Joint Ventures 2024	Joint Ventures 2023	Holding Company 2024	Holding Company 2023	Entities where control exist 2024	Entities where control exist 2023	Employees Trust 2024	Employees Trust 2023	Entities under the significant influence of Key Management Personnel 2024	Entities under the significant influence of Key Management Personnel 2023	Key Management Personnel 2024	Key Management Personnel 2023	Total 2024	Total 2023
1 Purchase of raw materials, components and traded goods (net of GST)	179.14	181.99	69.43	1.64	151.04	130.61	3.92	-	-	-	-	-	-	-	-	-	403.53	314.24
2 Sales and services (net of GST)	81.11	53.50	153.51	42.35	1.45	0.60	-	-	-	0.88	-	-	0.12	-	-	-	236.19	97.33
3 Other operating income	-	-	-	-	1.86	2.18	-	-	-	-	-	-	-	-	-	-	1.86	2.18
4 Other expenditure incurred / (recovered) (net)	48.95	49.06	(1.36)	6.17	(0.04)	(0.04)	0.68	1.90	(0.78)	(0.85)	-	-	0.54	0.38	0.34	-	48.33	56.62
5 Interest and other income	-	2.11	1.30	0.85	0.04	0.19	-	-	-	-	-	-	-	-	-	-	1.34	3.15
6 Interest expense	-	-	-	-	-	-	6.19	1.80	-	-	-	-	-	-	-	-	6.19	1.80
7 Financial Guarantee Released	-	-	-	-	3.63	3.13	-	-	-	-	-	-	-	-	-	-	3.63	3.13
8 Dividend payments	-	-	-	-	-	-	388.32	149.35	-	-	-	-	-	-	-	-	388.32	149.35
9 Remuneration to key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41.90	47.67	41.90	47.67
10 Commission and sitting fees to key management personnel*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.59	6.56	8.59	6.56
11 Investments in shares of	-	#	20.36	-	24.95	-	-	-	-	-	-	-	-	-	-	-	45.31	#
12 Borrowings taken	-	-	-	-	-	-	16.28	131.63	-	-	-	-	-	-	-	-	16.28	131.63
13 Borrowings repaid	-	-	-	-	-	-	101.82	-	-	-	-	-	-	-	-	-	101.82	-
14 Contribution to employee related trusts made during the year	-	-	-	-	-	-	-	-	-	-	228.50	212.14	-	-	-	-	228.50	212.14
15 Sale of asset in lieu of allotment of equity shares	-	-	-	-	-	8.74	-	-	-	-	-	-	-	-	-	-	-	8.74
16 Purchase of Asset	-	-	-	-	-	5.05	-	-	-	-	-	-	-	-	-	-	-	5.05
17 Allotment of Equity Shares	-	-	-	-	-	-	-	144.92	-	-	-	-	-	-	-	-	-	144.92

Amount is below rounding off norms adopted by the Group.

* Includes commission and sitting fees to other directors aggregating to ₹ 8.46 crores (2023 : ₹ 6.40 crores)

All the transactions are at arms length.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.9 RELATED PARTY DISCLOSURE (Contd.)

d) Related Party Balances - summary

₹ Crores

	Balances as on March 31	Fellow Subsidiaries 2024	Fellow Subsidiaries 2023	Associates 2024	Associates 2023	Joint Ventures 2024	Joint Ventures 2023	Holding Company 2024	Holding Company 2023	Entities where control exist 2024	Entities where control exist 2023	Employees Trust 2024	Employees Trust 2023	Entities under the significant influence of Key Management Personnel 2024	Entities under the significant influence of Key Management Personnel 2023	Key Management Personnel 2024	Key Management Personnel 2023	Total 2024	Total 2023
1	Trade receivables (Refer Notes 1.4 and 1.12)	24.91	21.07	77.80	22.86	1.05	0.13	-	-	0.63	1.09	-	-	-	-	-	-	104.39	45.15
2	Other financial and non-financial assets (Refer Notes 1.9 and 1.15)	-	-	-	-	1.83	0.10	-	-	-	-	-	0.21	-	-	-	-	1.83	0.31
3	Borrowings (Refer Note 1.25)	-	-	-	-	-	-	-	85.89	-	-	-	-	-	-	-	-	-	85.89
4	Trade and other payables	36.62	36.17	31.79	8.21	8.48	6.48	4.01	4.10	-	-	27.68	18.52	0.69	0.35	26.03	23.83	135.30	97.66
5	Financial guarantees	-	-	-	-	3.25	6.88	-	-	-	-	-	-	-	-	-	-	3.25	6.88

3.9 RELATED PARTY DISCLOSURE (Contd.)

e) Significant Related Party Transactions

₹ Crores

Transactions during the year ended March 31		2024	2023
1.	***Purchase of raw materials, components and traded goods (net of GST)***		
	Gulf Oil Lubricants India Limited	162.55	166.11
	Ashley Alteams India Limited	151.04	130.61
	Ashok Leyland Defence Systems Limited	69.43	1.64
2.	***Sales and services (net of GST)***		
	Gulf Oil Lubricants India Limited	81.11	53.33
	Lanka Ashok Leyland PLC	87.73	23.01
	Ashok Leyland Defence Systems Limited	65.78	19.34
3.	***Other operating income***		
	Ashley Alteams India Limited	1.86	2.18
4.	***Other expenditure incurred / (recovered) (net)***		
	Hinduja Automotive Limited, United Kingdom	0.68	1.90
	Lanka Ashok Leyland PLC	0.11	7.64
	Ashok Leyland Defence Systems Limited	(1.47)	(1.47)
	Prathama Solar Connect Energy Private Limited	40.98	41.45
	Hinduja Renewables Private Limited	7.47	7.42
5.	***Interest and other income***		
	Ashok Leyland Defence Systems Limited	1.30	0.85
	Gulf Oil Middle East Limited	-	2.11
	Ashley Alteams India Limited	0.04	-
6.	***Dividend payment***		
	Hinduja Automotive Limited, United Kingdom	388.32	149.35
7.	***Investment in shares of***		
	HR Vaigai Private Limited	-	#
	Ashok Leyland Defence Systems Limited	20.36	-
	TVS Trucks and Buses Private Limited	24.95	-
8.	***Allotment of Equity shares***		
	Hinduja Automotive Limited, United Kingdom	-	144.92
9.	***Sale of asset in lieu of allotment of equity shares***		
	Zebeyond Limited, UK	-	8.74
10.	***Purchase of asset***		
	Ashley Alteams India Limited	-	5.05
11.	***Borrowings taken***		
	Hinduja Automotive Limited, United Kingdom	16.28	131.63
12.	***Borrowings repaid***		
	Hinduja Automotive Limited, United Kingdom	101.82	-
13.	***Interest expense***		
	Hinduja Automotive Limited, United Kingdom	6.19	1.80
14.	***Contribution to employee related trusts made during the year including loans and interest recovered***		
	Ashok Leyland Employees Ennore Provident Fund Trust	53.19	52.95
	Ashok Leyland Employees Hosur Provident Fund Trust	49.20	47.35
	Ashok Leyland Senior Executives Provident Fund Trust	55.11	49.38
	Ashok Leyland Employees Gratuity Fund	30.11	19.36
	Ashok Leyland Superannuation Fund	16.79	16.06
	Ennore Foundries Gratuity Fund	1.83	5.37
	Ennore Foundries Limited Employees Provident Fund	12.82	12.52

3.9 RELATED PARTY DISCLOSURE (Contd.)

e) Significant Related Party Transactions (Contd.)

₹ Crores

Transactions during the year ended March 31	2024	2023
15. ***Commission and sitting fees to key management personnel***		
Mr. Dheeraj G Hinduja	0.13	0.16
Commission and sitting fees to other directors in aggregate	8.46	6.40
16. ***Financial Guarantee Released***		
Ashley Alteams India Limited	3.63	3.13
17. ***Remuneration to key management personnel****		
Mr. Shenu Agarwal		
Short term employee benefits	8.47	1.41
Other long term employee benefits	0.08	-
Mr. Gopal Mahadevan		
Short term employee benefits	8.34	14.00
Other long term employee benefits	0.08	0.08
Share-based payment	0.93	2.26
Mr. Andrew C Palmer		
Employee benefits paid by subsidiary	-	11.92
Mr. Dheeraj G Hinduja		
Short term employee benefits	23.92	17.92
Other long term employee benefits	0.08	0.08

Amount is below rounding off norms adopted by the Group.

* Excludes contribution for gratuity and compensated absences and long term incentive plan as the incremental liability has been accounted for the Group as a whole.

3.10 Lease arrangements

Group as lessee

Group has applied following practical expedients for the purpose of lease on initial recognition :

1) Single discount rate has been applied for leases with same characteristics.

2) Non - lease components which are difficult to be separated from the lease components are taken as a part of the lease calculation.

3) Short term leases i.e., leases having lease term of 12 months or less has been ignored for the purpose of calculation of right-of-use asset.

Expenses for the year ended March 31, 2024 includes lease expense classified as short term lease of ₹28.59 crores (March 31, 2023: ₹ 24.20 crores), low value leases of ₹ 0.56 crores (March 31, 2023: ₹ 0.03 crores) and variable lease payments aggregating to ₹ 70.10 crores (March 31, 2023: ₹63.55 crores) which are not required to be recognised as per practical expedient under Ind AS 116 'Leases' mentioned above.

The total cash outflow for lease for the year ended March 31, 2024 : ₹ 173.79 crores (March 31, 2023 : ₹154.75 crores).

3.11 CONTINGENT LIABILITIES

		As at March 31, 2024	As at March 31, 2023
		₹ Crores	₹ Crores
a)	Claims against the Group not acknowledged as debts (net)		
	i) Sales tax / VAT/ GST #	279.65	276.78
	ii) Excise duty #	9.20	9.20
	iii) Service Tax #	60.97	111.88
	iv) Customs Duty #	0.43	0.43
	v) Income tax $	8.43	8.43
	vi) Others	64.46	43.42
b)	Share of contingent liabilities of joint ventures	3.19	1.71
c)	Bank guarantees	22.82	2.08

$ These relates to issues of deductibility and taxability in respect of which the Group is in appeal and inclusive of the effect of similar matters in respect of assessments remaining to be completed.

These have been disputed by the Group on account of issues of applicability and classification.

Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.

Notes:

The Group (entities operating in India) evaluated the impact of the recent Supreme Court Judgment in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952 and the Management believes that further clarity is required on this matter for the time period prior to March 31, 2019. However, it is not likely to have a significant impact and accordingly, no provision has been made in the consolidated financial statement.

The Group is involved in various claims and actions in the ordinary course of business. The Group accrues a liability when a loss is considered probable and the amount can be reasonably estimated. In the opinion of the management the outcome of any existing claims, legal and regulatory proceedings, if decided adversely, is not expected to have a material adverse effect on the business, financial condition, results of operations and cash flows of the Group based on the current position of such claims/legal actions.

3.11.1 OTHERS

The value of corporate guarantee given to bank for the loan taken by a joint venture company for the year ended March 31, 2024 : ₹ 3.25 crores (March 31, 2023 : ₹ 6.88 crores).

3.12 COMMITMENTS

		As at March 31, 2024	As at March 31, 2023
		₹ Crores	₹ Crores
a)	Capital commitments (net of advances) not provided for	490.73	295.56
	[including ₹ 50.22 crores (March 2023: 9.70 crores) in respect of intangible assets]		
b)	Share of commitments of joint ventures	0.12	0.18
c)	Uncalled liability on partly paid shares / investments (Refer Note 1.3)	#	#
d)	Other commitments		
	(i) Financial support given to certain joint ventures		

The outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.

Amount is below rounding off norms adopted by the Group.

3.13 DETAILS OF BORROWINGS:

I Non-current borrowings:

	As at March 31, 2024				As at March 31, 2023		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores	Particulars of Redemption / Repayment	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
a. Secured Borrowings:							
i. Non-convertible Debentures (NCD)							
8.60% p.a. to 8.80% p.a (March 2023 : 7.45% p.a to 9.25% p.a.) Secured redeemable non-convertible debentures Sub 1	428.10	2.95	431.05	43,000 debentures with face value of ₹ 1,00,000/- (March 31, 2023: 8,800 debentures with a face value of ₹ 10,00,000/- and 8,000 debentures with face value of ₹ 1,00,000/-) were outstanding as on March 31, 2024. These debentures carry interest rates ranging from 8.60% p.a. to 8.80% p.a. and the redemption period is 3 years from the date of allotment.	79.77	1,004.33	1,084.10
9.65% to 9.75% Subordinated redeemable non-convertible debentures	-	9.94	9.94	21,700 debentures with a face value of ₹ 1,00,000/- were outstanding as on March 31, 2024 (March 31, 2023: Nil) . These debentures carry interest rates ranging from 9.65% p.a. to 9.75% p.a. and the redemption period is 7 years to 15 years.	-	-	-
Series 3	200.00	-	200.00	Bullet repayment at the end of 5 years from the date of allotment i.e. March 17, 2027. The Parent Company has a call option to redeem the debentures at the end of 3rd year.	200.00	-	200.00
Series 2	-	-	-	Repaid on June 23,2023.	-	200.00	200.00
Series 1	-	-	-	Repaid on May 19,2023.	-	400.00	400.00
	628.10	**12.89**	**640.99**		**279.77**	**1,604.33**	**1,884.10**
ii. Term loans:							
TL - 1 - Sub 1	23,663.73	8,754.31	32,418.04	6.65% to 9.68% p.a. repayable in varying monthly / quarterly installments	16,037.22	6,851.18	22,888.40
TL-12	200.00	100.00	300.00	Repayable annually in 5 equal installments starting from September 9, 2022	300.00	100.00	400.00
TL-13	150.00	75.00	225.00	Repayable annually in 4 equal installments starting from May 12, 2023	225.00	75.00	300.00
TL-14	12.50	25.00	37.50	Repayable semi annually in 8 equal installments starting from February 28, 2022	37.50	25.00	62.50
TL-15	87.50	8.75	96.25	Repayable quarterly in 20 installments of varying amounts starting from July 1, 2023	96.25	3.75	100.00
TL-16	160.00	40.00	200.00	Repayable annually in 5 equal installments starting from March 25, 2025	200.00	-	200.00
TL-17	168.75	56.25	225.00	Repayable semi annually in 12 installments of varying amounts starting from September 30, 2022	225.00	12.50	237.50
TL-1- Sub 2	-	-	-	Repaid in FY 23-24	254.49	-	254.49
TL-2- Sub 2	57.00	-	57.00	Repayable in 24 quarterly installments starting from December 2023.	234.89	-	234.89
TL-3- Sub 2	51.04	-	51.04	Repayable in 92 monthly installments commencing from September, 2023	59.43	-	59.43
TL-4- Sub 2	100.00	-	100.00	Repayable upon receipt of subsidy receivable from Government	-	-	-
TL -1- Sub 3	149.67	7.88	157.55	The loan is repayable in quarterly installments over a period of seven years starting from April 2024	152.47	-	152.47
	24,800.19	**9,067.19**	**33,867.38**		**17,822.25**	**7,067.43**	**24,889.68**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS: (Contd.)

I Non-current borrowings: (Contd.)

1. (i) TL -12 - Term loan was secured by way of first ranking charge on the specified plant and machinery of a manufacturing unit of the Parent Company located at Pantnagar to the extent of ₹300 crores.

   (ii) TL - 13 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Parent Company located at Hosur to the extent of 1.25 times of the amount of loan.

   (iii) TL - 14 - Term loan was secured by way of exclusive charge on the specified plant and machinery and other moveable fixed assets of a manufacturing unit of the Parent Company located at Pantnagar to the extent of 1.10 times of the amount of loan.

   (iv) TL - 15 - Term loan was secured by way of exclusive charge on the specified plant and machinery and other moveable fixed assets of the manufacturing units of the Parent Company located at Pantnagar and Hosur to the extent of 1.25 times of the amount of loan.

   (v) TL -16 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Parent Company located at Chennai and Hosur to the extent of ₹ 200 Crores.

   (vi) TL -17 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Parent Company located at Hosur, Pantnagar and Bhandara to the extent of 1.10 times of the amount of loan.

   (vii) NCD - Series 1 - 8% AL 2023 relating to Parent Company was repaid during the year and was secured by way of first ranking charge over specific plant and machinery of manufacturing and research and development units situated at Ennore, Pantnagar, Hosur and Vellivoyalchavadi and specific immovable properties of manufacturing unit at Ennore to the extent of 1.10 times of the amount of debentures and interest accrued thereon.

   (viii) NCD - Series 2 - 7.65% AL 2023 relating to Parent Company was repaid during the year and was secured by way of First Ranking charge over specific plant and machinery of the manufacturing units situated at Hosur and Alwar and specific immovable properties situated at manufacturing unit at Ennore to the extent of 1.10 times of the amount of debentures and interest accured thereon.

   (ix) NCD - Series 3 - 7.30% AL 2027 relating to Parent Company are secured by way of First Ranking charge over specific plant and machinery of manufacturing unit situated at Hosur to the extent of 1.10 times of the amount of debentures and interest accrued thereon.

2. Debentures of a subsidiary (Sub 1) are secured by a first ranking mortgage of an immovable property in favour of trustees in addition to exclusive charge on hypothecation of specific loan receivables with a security cover of 110% as per the terms of issue.

3. Term loans availed by a subsidiary from various banks (TL-1 - Sub 1) are secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.

4. The assets pledged as security for borrowings relating to subsidiaries engaged in financing activities includes financial assets (loans and investments) amounting to ₹ 38,013.66 crores (March 2023: financial assets (loans and investments) amounting to ₹ 28,297.44 crores).

5. Term loan availed by a subsidiary (TL -1- Sub 3) is secured by way of an exclusive charge over stocks, current assets and plant and machinery of the subsidiaries and guarantee.

6. Term loans availed by a subsidiary (TL-1- Sub 2, TL-2-Sub 2, TL-3- Sub 2, TL-4 - Sub 2) are secured by first *pari passu* charge on all assets of the specific project related assets, exclusive charge on electric vehicles (EV) of the specific project and receivables of the specific project.

iii. Other loans:

	As at March 31, 2024				As at March 31, 2023		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores	Particulars of Redemption / Repayment	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
SIPCOT Soft Loan	31.18	-	31.18	Repayable by August 1, 2025	31.18	-	31.18
Loan - Sub 1	-	-	-	Repaid on April 21, 2023	-	7.00	7.00
	31.18	**-**	**31.18**		**31.18**	**7.00**	**38.18**

1. The above SIPCOT soft loan availed by the Parent Company are secured by way of first charge on the fixed assets created and the same shall be on pari passu with other first charge holders of LCV division of Parent Company

2. Loan - Sub 1 relating to a subsidiary is secured by way of hypothecation of inventory and debtors of the subsidiary

The Companies in the Group, where applicable, has registered the charges / satisfaction of charges with the Registrar of Companies within the stipulated period.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS: (Contd.)

I Non-current borrowings: (Contd.)

b. Unsecured borrowings:

i. ECB loans:

	As at March 31, 2024				As at March 31, 2023		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores	Particulars of Redemption / Repayment	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
ECB - 16	55.97	55.97	111.94	Repayable annually in 3 equal installments starting from November 18, 2023	112.05	56.03	168.08
ECB - 15	-	55.60	55.60	Repayable annually in 3 equal installments starting from February 28, 2023	54.78	54.78	109.56
ECB - 14	-	222.41	222.41	Repayable annually in 3 equal installments starting from September 23, 2022	219.12	219.12	438.24
	55.97	**333.98**	**389.95**		**385.95**	**329.93**	**715.88**

	As at March 31, 2024				As at March 31, 2023		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores	Particulars of Redemption / Repayment	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
ii. Non-convertible Debentures:							
9.20% p.a. to 11.60% p.a. - Subordinated redeemable non-convertible debentures - Sub 1	1,113.10	-	1,113.10	63,750 (31 March 2023: 9,750) debentures with a face value of ₹ 100,000/- to ₹ 10,00,000/- were outstanding as on 31 March 2024. These debentures carry interest rates ranging from 9.20% p.a. to 11.60% p.a. and the redemption period is 5.4 years to 15 years.	843.43	-	843.43
	1,113.10	**-**	**1,113.10**		**843.43**	**-**	**843.43**

	As at March 31, 2024				As at March 31, 2023		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores		Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
iii. Interest free sales tax loans:							
Programme II	66.41	-	66.41	Varying amounts repayable on a periodical basis ending on June 2028	66.41	-	66.41
	66.41	**-**	**66.41**		**66.41**	**-**	**66.41**

	As at March 31, 2024				As at March 31, 2023		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores	Particulars of Redemption / Repayment	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
iv. Other loans:							
11.31% p.a. - Subordinated loans - Sub 1	-	-	-	Repaid in FY 23-24	74.93	-	74.93
Other loan - Sub 2	1.43	-	1.43	Payable in equal monthly instalments until July 28, 2025	-	-	-
	1.43	**-**	**1.43**		**74.93**	**-**	**74.93**

The above debentures, term loans, external commercial borrowings and loans from others carry varying rates of interest with the maximum rate of interest going upto 11.60% p.a. (as at March 31, 2023: 11.60% p.a.).

3.13 DETAILS OF BORROWINGS: (Contd.)

II Current borrowings:

	As at March 31, 2024	Particulars of Redemption / Repayment	As at March 31, 2023
	₹ Crores		₹ Crores
a Secured borrowings			
- STL 1 Sub 1	701.51	Repayable on demand	848.10
- STL 3 Sub 6	16.00	Repayable on demand	18.00
- STL 4 Sub 6	3.50	Repayable on demand	-
- STL 1 Sub 7	4.00	Repayable on demand	9.00
- STL 2 Sub 7	9.62	Repayable on demand	8.38
- STL 2 Sub 5	125.83	Repayable within 6 months	125.22
- STL 3 Sub 5	26.96	Repayable on October 31, 2024	17.89
- STL 1 Sub 8	108.10	Repayable on demand	115.77
- STL 1 Sub 12	31.51	Rollover annually on 3rd June 2024	30.49
- STL 1 Sub 10	-	Repaid	3.44
- Bills discounted	10.51	Repayable /repaid on various dates upto September 2024 /August 2023	13.06
- STL 27	250.00	Repayable on April 10, 2024	-
- STL 2 Sub 12	335.05	Rollover annually on 9th August, 2024	304.94
- STL 3 Sub 12	150.00	Rollover annually	-
- STL 4 Sub 12	262.97	Repayable by November 30, 2024	-
- STL 5 Sub 12	12.67	Repayable in quarterly installments starting from December 2023	-
- STL 6 Sub 12	7.69	Repayable in Monthly installments starting from September 2023	-
- STL 1 Sub 11	61.33	Repayable on demand	15.23
	2,117.25		**1,509.52**

1 STL 1 Sub 1 relating to a subsidiary are cash credit facilities and working capital demand loans from banks which are secured by way of an exclusive charge on the receivables due to the subsidiary other than those that are specifically charged to the lenders of the subsidiary.

2 STL 3 Sub 6 and STL 4 Sub 6 relating to a subsidiary are working capital demand loans which are secured by way of hypothecation of bills receivables, book debt, inventories and all other moveable assets both present and future of the subsidiary amounting to ₹ 45.70 crores (March 31, 2023: ₹ 37.24 crores) reduced by trade payable of the subsidiary.

3 STL 1 Sub 7 and STL 2 Sub 7 relating to a subsidiary are secured by way of a pari passu first charge on current assets (including stocks of raw materials, stores and spares, work-in-progress, finished goods and books debts) both present and future of the subsidiary to the extent of ₹ 25.00 crores (March 31, 2023: ₹ 25.00 crores).

4 STL 1 Sub 8 relating to a subsidiary are secured by way of a charge on trade receivables, inventories and assignment of risk insurance policy covering inventories of the subsidiary company and also backed by letter of comfort issued by the Parent Company.

5 STL 2 Sub 5 and STL 3 Sub 5 relating to a subsidiary is in the nature of an overdraft facility which is secured by corporate guarantee given by the Parent Company.

6 STL 1 Sub 10 relating to a subsidiary is in the nature of a overdraft facility which is secured by hypothecation of book debts of the subsidiary.

7 STL 27 / Bills discounted relating to Parent Company are secured by way of hypothecation of the whole stocks of Raw Materials, Semi Finished and Finished goods, Stores and Spares not related to Plant and Machinery (Consumable stores and spares) Bills Receivable, Book Debts and all other movables both present and future now lying or stored about the factory premises, godowns, warehouses, yards and any other locations to the extent of ₹ 2,000 crores (March 31, 2023: ₹ 2,000 crores).

8 STL 1 Sub 12 and STL 2 Sub 12 relating to a subsidiary are secured against assets and undertakings of the subsidiary.

9 STL 3 Sub 12 relating to a subsidiary are secured by way of hypothecation of the whole stocks of Raw Materials, Semi Finished and Finished goods, Stores and Spares not related to Plant and Machinery (Consumable stores and spares) Bills Receivable, Book Debts and all other movables both present and future now lying or stored about the factory premises, godowns, warehouses, yards and any other locations to the extent of ₹150 crores (March 31, 2023: ₹ 30.49 crores).

10 STL 4 Sub 12, STL 5 Sub 12 and STL 6 Sub 12 availed by a subsidiary is secured by first pari passu charge on all assets of the specific project related assets, exclusive charge on electric vehicles (EV) of the specific project and receivables of the specific project.

11 STL 1 Sub 11 relating to a subsidiary is secured against net current assets of the subsidiary.

3.13 DETAILS OF BORROWINGS: (Contd.)

II Current borrowings: (Contd.)

	As at March 31, 2024	Particulars of Redemption / Repayment	As at March 31, 2023
	₹ Crores		₹ Crores
b Unsecured borrowings			
- STL 25	-	Repaid on August 25, 2023	150.00
- STL 26	150.00	Repayable on June 20, 2024	-
- STL 1 Sub 8	83.41	Repayable on demand	82.16
- STL 2 Sub 3	-	Repaid in FY 23-24	250.05
- STL 4 Sub 3	-	Repaid in FY 23-24	9.89
- STL 5 Sub 3	-	Repaid in FY 23-24	85.89
- STL 6 Sub 3	-	Repaid in FY 23-24	20.33
- Other Loans Sub 3	1.84	Payable in equal monthly instalments	-
- Bills discounted	73.80	Repayable / Repaid on various dates upto September 2024 / December 2023	105.57
- 9.20% p.a. to 11.60% p.a. - Subordinated redeemable non-convertible debentures	549.59	63,750 debentures with a face value of ₹1,00,000/- to ₹ 10,00,000/- the redemption period ranges from 5.4 years to 15 years.	-
- Commercial Paper	1,479.08	Commercial papers are issued for a period ranging from 92 days to 365 days (March 2023: 36 days to 93 days)	196.42
	2,337.72		**900.31**

The above outstanding borrowings carry varying rates of interest with the maximum rate of interest going upto 11.60% p.a. (as at March 31, 2023: 9.40% p.a.).

The carrying value of the above borrowings (as reflected in Notes 1.20 and 1.26) are measured at amortised cost using effective interest method while the above borrowings represents principal amount outstanding.

III Net debt reconciliation:

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
1. Cash and cash equivalents	5,217.32	1,908.58
2. Liquid investments	225.16	3,171.40
3. Current borrowings	(4,465.22)	(2,418.48)
4. Non-current borrowings	(36,115.72)	(28,560.31)
5. Derivative Asset / (Liability)	50.34	97.50
6. Lease Liabilities	(237.84)	(240.49)
Net debt	**(35,325.96)**	**(26,041.80)**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS: (Contd.)

III Net debt reconciliation: (Contd)

₹ Crores

Particulars	Other assets		Liabilities from financing activities				
	Cash and Cash Equivalents	Liquid investments	Non-current borrowings	Current borrowings	Derivative Asset / (Liability)	Lease Liabilities	Total
Net debt as at March 31, 2022	2,030.96	1,298.05	(22,205.58)	(1,785.11)	34.10	(205.67)	(20,833.25)
Cash flows (net)	(153.63)	1,839.62	(6,307.77)	(605.21)	-	66.97	(5,160.02)
Pursuant to business combination	28.47	-	-	-	-	-	28.47
Foreign exchange adjustments (Realised / Unrealised)	2.78	-	(44.15)	(20.97)	-	-	(62.34)
Profit on sale of liquid investments (net)	-	30.05	-	-	-	-	30.05
Interest expense	-	-	(233.74)	(106.21)	-	(14.50)	(354.45)
Interest paid	-	-	230.93	99.02	-	-	329.95
Other non-cash movements							-
- Addition / Deletion (Net) relating to lease liabilities	-	-	-	-	-	(87.29)	(87.29)
- Fair value adjustments	-	3.68	-	-	63.40	-	67.08
Net debt as at March 31, 2023	**1,908.58**	**3,171.40**	**(28,560.31)**	**(2,418.48)**	**97.50**	**(240.49)**	**(26,041.80)**
Cash flows (net)	3,308.99	(3,002.43)	(7,629.95)	(2,044.30)	-	74.54	(9,293.15)
Foreign exchange adjustments (Realised / Unrealised)	(0.25)	-	32.69	(0.84)	-	-	31.60
Profit on sale of liquid investments (net)	-	60.61	-	-	-	-	60.61
Interest expense	-	-	(185.20)	(184.07)	-	(14.09)	(383.36)
Interest paid	-	-	227.05	182.47	-	-	409.52
Other non-cash movements							
- Addition / Deletion (Net) relating to lease liabilities	-	-	-	-	-	(57.80)	(57.80)
- Fair value adjustments	-	(4.42)	-	-	(47.16)	-	(51.58)
Net debt as at March 31, 2024	**5,217.32**	**225.16**	**(36,115.72)**	**(4,465.22)**	**50.34**	**(237.84)**	**(35,325.96)**

Note:

Non-current borrowings and interest expense is gross of impact on account of effective interest rate changes.

3.14 INFORMATION RELATING TO SUBSIDIARIES

A) Details of the group's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest As at March 31, 2024	Proportion of ownership interest As at March 31, 2023
Hinduja Leyland Finance Limited and its subsidiaries	Relating to financing activities	Chennai - India	60.40%	60.42%
Global TVS Bus Body Builders Limited	Relating to commercial vehicle	Madurai - India	66.67%	66.67%
Gulf Ashley Motor Limited	Trading in commercial vehicle	Chennai - India	93.15%	93.15%
Optare PLC and its subsidiaries	Manufacturing of commercial vehicle	United Kingdom	92.59%	91.63%
Ashok Leyland (Nigeria) Limited	Trading in commercial vehicle	Nigeria	100.00%	100.00%
Ashok Leyland (Chile) SA	Trading in commercial vehicle	Chile	100.00%	100.00%
HLF Services Limited	Manpower supply services	Chennai - India	81.72%	81.73%
Ashok Leyland (UAE) LLC and its subsidiaries	Manufacturing of commercial vehicle	UAE	100.00%	100.00%
Albonair (India) Private Limited	Relating to commercial vehicle	Chennai - India	100.00%	100.00%
Albonair GmbH and its subsidiary	Relating to commercial vehicle	Germany	100.00%	100.00%
Ashley Aviation Limited	Relating to air chartering services	Chennai - India	100.00%	100.00%
Hinduja Tech Limited, its subsidiaries and joint venture	Relating to IT services	Chennai - India	73.22%	73.83%
Vishwa Buses and Coaches Limited	Relating to commercial vehicle	Chennai - India	100.00%	100.00%
Gro Digital Platforms Limited	Relating to commercial vehicle	Chennai - India	80.20%	80.21%
OHM Global Mobility Private Limited (from September 1, 2023)	Relating to commercial vehicle	Chennai - India	100.00%	Not Applicable

Ownership interest includes joint holding and beneficial interest.

B) Composition of the Group:

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries March 31, 2024	Number of wholly-owned subsidiaries March 31, 2023
Manufacturing of commercial vehicle	UAE	1	1
Trading in commercial vehicle	Russia*	1	1
Trading in commercial vehicle	Ivory Coast*	1	1
Trading in commercial vehicle	Nigeria	1	1
Trading in commercial vehicle	Chile	1	1
Relating to commercial vehicle	India	3	2
Relating to commercial vehicle	Germany	1	1
Relating to commercial vehicle	China*	1	1
Relating to air chartering services	India	1	1

* wholly owned step down subsidiaries

Also refer Note 3.1

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries** March 31, 2024	Number of non wholly-owned subsidiaries** March 31, 2023
Relating to financing activities	Chennai - India **	3	4
Relating to commercial vehicle	Madurai - India	1	1
Relating to commercial vehicle	Chennai - India	1	1
Manufacturing of commercial vehicle	United Kingdom **	6	8
Trading in commercial vehicle	Chennai - India	1	1
Manpower supply services	Chennai - India	1	1
Relating to IT services	Chennai - India**	9	9

** includes 8 step down subsidiaries relating to IT services, 5 step down subsidiaries relating to manufacturing of commercial vehicles and 2 step down subsidiaries relating to financing activities (March 31, 2023: 8 step down subsidiaries relating to IT services, 7 step down subsidiaries relating to manufacturing of commercial vehicles and 3 step down subsidiaries relating to financing activities)

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.14 INFORMATION RELATING TO SUBSIDIARIES (Contd.)

C) Details of non wholly-owned subsidiaries that have material non-controlling interests:

The table below shows details of non wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Total comprehensive income allocated to non-controlling interests		Accumulated non-controlling interests	
		March 31, 2024	March 31, 2023	March 31, 2024 ₹ Crores	March 31, 2023 ₹ Crores	March 31, 2024 ₹ Crores	March 31, 2023 ₹ Crores
Hinduja Leyland Finance Limited and its subsidiaries	Chennai - India	39.60%	39.58%	480.65	207.64	2,697.86	2,215.14
Individually immaterial subsidiaries with non-controlling interests				(42.87)	(54.35)	112.11	29.67
				437.78	**153.29**	**2,809.97**	**2,244.81**

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

Hinduja Leyland Finance Limited and its subsidiaries	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
Current assets	15,204.72	11,076.85
Non-current assets	29,674.70	21,340.66
Total assets	**44,879.42**	**32,417.51**
Current liabilities	12,265.11	9,446.99
Non-current liabilities	25,801.52	17,373.90
Total liabilities	**38,066.63**	**26,820.89**
Equity attributable to owners of the Company	4,114.93	3,381.48
Non-controlling interests	2,697.86	2,215.14

3.14 INFORMATION RELATING TO SUBSIDIARIES (Contd.)

	Year ended March 31, 2024 ₹ Crores	Year ended March 31, 2023 ₹ Crores
Revenue	4,659.90	3,501.55
Expenses (including tax)	4,019.36	3,007.94
Profit for the year	**640.54**	**493.61**
Profit attributable to owners of the Company	386.89	318.92
Profit attributable to the non-controlling interests	253.65	174.69
Profit for the year	**640.54**	**493.61**
Other Comprehensive Income attributable to owners of the Company	346.24	60.16
Other Comprehensive Income attributable to the non-controlling interests	227.00	32.95
Other Comprehensive Income for the year	**573.24**	**93.11**
Total Comprehensive Income attributable to owners of the Company	733.13	379.08
Total Comprehensive Income attributable to the non-controlling interests	480.65	207.64
Total Comprehensive Income for the year	**1,213.78**	**586.72**
Dividends paid to non-controlling interests	-	-
Net cash (outflow) / inflow from operating activities	(8,364.58)	(6,173.91)
Net cash outflow from investing activities	(419.14)	(830.11)
Net cash inflow from financing activities	10,647.72	7,240.09
Net cash inflow / (outflow)	**1,864.00**	**236.07**

During the year ended March 31, 2023, the Board of Directors of Hinduja Leyland Finance Ltd (HLFL), a subsidiary of the Company, had approved a scheme of merger by absorption of HLFL into NXT DIGITAL Limited (currently NDL Ventures Limited), subject to the receipt of approvals from various statutory and regulatory authorities, respective shareholders and creditors, at a share exchange ratio of Twenty-five equity shares of face value of ₹ 10/- each of NDL Ventures Limited for every Ten equity shares of face value of ₹ 10/- each held in HLFL. In this regard, HLFL has obtained a No-Objection Certificate from the Reserve Bank of India. Subsequently, NDL Ventures Limited has also applied to the Reserve Bank of India for registration as a Non-Banking Financial Company (NBFC), which is currently under process.

D) Goodwill

	As at March 31, 2024 ₹ Crores	As at March 31, 2023 ₹ Crores
Gross Goodwill at the beginning of the year	1,809.57	1,641.00
Add: Recognised during the year (Refer Note 3.18)	4.39	168.57
Gross Goodwill at the end of the year	**1,813.96**	**1,809.57**
Opening accumulated impairment	616.98	609.17
Add: Impairment during the year	-	7.81
Closing accumulated impairment	**616.98**	**616.98**
Carrying amount of Goodwill	**1,196.98**	**1,192.59**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.14 INFORMATION RELATING TO SUBSIDIARIES (Contd.)

D) Goodwill (Contd.)

Allocation of goodwill to cash-generating units

Each of the subsidiaries / Light Commercial Vehicle division of Parent Company is identified as a separate cash generating unit. Goodwill has been allocated for impairment testing purposes to these cash-generating units.

The carrying amount of goodwill was allocated to major cash-generating units as follows:

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
Hinduja Leyland Finance Limited and its subsidiaries	426.47	426.47
Light commercial vehicle division of parent company	449.90	449.90
Hinduja Tech Limited and its subsidiaries	298.17	293.78
Others	22.44	22.44
	1,196.98	**1,192.59**

Cash-generating units to which goodwill is allocated are tested for impairment annually at each reporting date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit. The Group has used post tax discount rate ranging from 11.50% to 17.50% (March 2023: 12.00% to 17.50%) and terminal growth rate ranging from 1.00% to 5.00% (March 2023: 1% to 4.00%) for the purpose of impairment testing based on the next five to nine years (March 2023: four to six years) projected cash flows. Both pre tax and post tax discount rate gives the same recoverable amount. The Group believes that any reasonable further change in the key assumptions on which recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount.

Also Refer Notes 1E.2,1D, 3.18 and 3.25.

3.15 INFORMATION RELATING TO ASSOCIATES

Details of material associates

There are no associates which are individually material and thus, only aggregate information of associates that are not individually material is given below:

Aggregate information of associates that are not individually material	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
The Group's share of profit	12.57	2.46
The Group's share of other comprehensive loss	2.41	(0.77)
The Group's share of total comprehensive income / (loss)	**14.98**	**1.69**

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
Aggregate carrying amount of the Group’s interests in these associates	79.32	42.74

3.16 INFORMATION RELATING TO JOINT VENTURES

Details of material joint ventures

There are no joint ventures which are individually material and thus, only aggregate information of joint ventures that are not individually material is given below:

Aggregate information of joint ventures that are not individually material	Year ended March 31, 2024	Year ended March 31, 2023
	₹ Crores	₹ Crores
The Group's share of profit	3.81	8.29
The Group's share of other comprehensive income	(0.22)	-
The Group's share of total comprehensive income	**3.59**	**8.29**

	As at March 31, 2024	As at March 31, 2023
	₹ Crores	₹ Crores
Aggregate carrying amount of the Group's interests in these joint ventures	49.80	20.92

Also refer note 3.18

3.17 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Group. The amount of principal and interest outstanding is given below:

₹ Crores

	Particulars	March 2024	March 2023
i)	Principal amount paid after appointed date during the year	-	5.85
ii)	Amount of interest due and payable for the delayed payment of Principal amount	-	0.02
iii)	Principal amount remaining unpaid as at year end (over due)	-	0.86
iv)	Principal amount remaining unpaid as at year end (not due)	123.81	82.07
v)	Interest due and payable on principal amount unpaid as at the year end	-	-
vi)	Total amount of interest accrued and unpaid as at year end	0.34	0.33
vii)	Further interest remaining due and payable for earlier years	0.32	0.30

Also refer notes 1.27 and 1.28

3.18 ACCOUNTING FOR BUSINESS COMBINATION

(i) Drive System Design Limited, UK and Drive System Design Inc

- On November 30, 2022, Hinduja Tech UK Limited (HTUK) and Hinduja Tech Inc, USA entered into a Share Purchase Agreement (SPA) to acquire 100% of the issued capital of Drive System Design Limited, UK (DSD-UK) along with its subsidiaries Drive System Design SRO, Czech and Drive System Design Inc, USA (DSD-USA) (collectively referred to as 'DSD Group') respectively for an upfront cash consideration of ₹ 218.44 Crores (GBP 21.7 million) and earn-out payments based on future performance.

- Consequently the acquired entities became step-down subsidiaries of Hinduja Tech Limited, India effective from November 30, 2022 on satisfactory completion of the closing conditions under the SPA and has been consolidated with effect from that date.

- The DSD group provides advanced engineering solutions to automotive, commercial vehicle, off-highway, defence and aviation industries and specialises in developing solutions for electrified propulsion systems.

- The fair value of the purchase consideration is ₹ 308.78 Crores, which comprises of an upfront consideration of ₹ 218.44 Crores, contingent consideration of ₹ 90.34 Crores subject to the satisfaction of certain conditions.

- The fair value of the contingent consideration, recognised on the acquisition date is determined by discounting the estimated amount payable to the previous owners on satisfaction of the conditions by applying the discounted cash flow approach. The key inputs used for the estimation of fair values are discount rate of 3.5% and probabilities of achievement of conditions (assumed to be 100%).

- As required by Ind-AS 103, Business Combinations, the Company has accounted for the assets and liabilities of the DSD Group at their respective fair values, including the intangibles and resultant goodwill arising from such acquisition.

- For the year ended March 31, 2023, the Group had accounted for the aforesaid acquisition based on provisional amounts as permitted by Paragraph 45 of Ind AS 103, which provides a measurement period of one year from the acquisition date, to complete the final acquisition accounting. During the current year, the Group has retrospectively adjusted the provisional amounts recognised at the acquisition date to reflect new information obtained during such measurement period, which ended on November 29, 2023, about facts and circumstances that existed as of the acquisition date, as permitted by Ind-AS 103. Accordingly, and as required by paragraph 49 of lnd AS 103, the Group has revised the information for comparative periods presented in the Statement of Consolidated Financial Statements, including necessary consequential adjustments required, as a result of the foregoing.

3.18 ACCOUNTING FOR BUSINESS COMBINATION (Contd.)

The difference between the provisional and final fair values representing measurement period adjustments in accordance with paragraph 45 of Ind AS 103 is given below:

₹ Crores

Particulars	Fair Value at Acquisition	Provisional Fair Values
Assets		
Property, plant and equipment	45.02	45.02
Intangible assets	93.21	89.45
Other assets (Net of liabilities)*	1.98	23.21
Total	140.21	157.68
Fair value of purchase consideration (including fair value of contingent consideration)	308.78	308.78
Provisional goodwill arising on acquisition	168.57	151.10

* Includes cash and cash equivalents acquired of ₹ 28.47 Crores

(ii) Zebeyond Limited

On December 21, 2022, Drive System Design Ltd, UK (DSD) and Alvier Mechatronics AB (Alvier) formed a 50:50 joint venture, Zebeyond Ltd in the form of a Private Limited Company. The Joint venture Company was incorporated in England and Wales. DSD-UK contributed technology in the form of software, while Alvier contributed EUR 1 million for their respective stake in the joint venture. The scope of the Joint venture is the development and commercialization of the software by way of granting user licenses to customers and delivering special bespoke customer projects. This 50:50 Joint venture partnership ensures equal ownership and shared responsibilities between DSD and Alvier in driving the success of Zebeyond Ltd.

3.19 The group does not have any transactions with struck off companies under Companies Act, 2013 or Companies Act, 1956, during the year.

3.20 The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Parent Company has invested Rs. 1,199.30 crores (March 31, 2023: Nil) in two tranches viz 28th November 2023 and 6th February 2024, in Optare Plc, UK (its subsidiary) [Intermediary 1]. Out of the aforementioned amount Intermediary 1 has invested in Switch Mobility Limited, UK (its subsidiary) [Intermediary 2] sum of GBP 36.27 Million on 30th November 2023 (March 31, 2023: Nil) and another tranche of GBP 50.68 Million on 8th February 2024 (March 31, 2023: Nil) as equity. Further, from the amount received, Switch Mobility Limited, UK [Intermediary 2] invested Rs. 208.64 crores on 11th December 2023 and Rs. 341.36 crores on 9th February 2024 in Switch Mobility Automotive India Limited [ultimate beneficiary].

The Parent Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013, to the extent applicable, and these transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. 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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

During the year ended March 31, 2023, Hinduja Tech Limited (HTL) [Intermediary 1], a subsidiary of the Parent Company, has raised Rs. 88.00 crores from Hinduja Automotive Limited (Holding Company) [Funding Party] by way of issue of equity share capital on November 22, 2022. This has been further invested in Hinduja Tech UK Limited (wholly owned subsidiary of HTL incorporated during the current financial year) [Intermediary 2] as equity share capital by subscribing to 10,000 shares and 1,08,00,000 shares of GBP 1 each on November 10, 2022 and March 06, 2023 at GBP 1.08 crores. The funding raised and the subsidiary incorporated is for the purpose of acquisition of Drive system Design Limited, UK (along with its wholly owned subsidiary Drive System Design SO, Czech) and Drive System Design Inc, USA, for which Hinduja Tech UK Limited has paid GBP 2.17 crores (as upfront consideration) to the erstwhile shareholders [ultimate benficiary] of Drive system Design Limited, UK and Drive System Design Inc, USA on November 28, 2022. The relevant provisions of the Foreign Exchange Management Act, 1999 and Companies Act, 2013 have been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002.

3.21 No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder, where applicable.

3.22 The Group has complied with the number of layers prescribed under the Companies Act, where applicable.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.23 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account, where applicable.

3.24 The Group has not traded or invested in crypto currency or virtual currency during the current or previous year, where applicable.

3.25 During the year ended March 31, 2024, the Group has recorded an impairment of ₹ 8.03 crores (March 31, 2023: reversal of impairment ₹ 9.20 crores) of net assets of its subsidiary viz Albonair GmbH (Cash Generating Unit (CGU)) based on future business plan, internal and external factors and the independent valuers report. The discounted cash flow method uses post tax discount rate ranging between 10.50% - 13.50% for current and previous years for the aforementioned entities. Both pre tax discount rate and post tax discount rate gives the same recoverable amount.

3.26 The figures for the previous year have been reclassified / regrouped wherever necessary including for amendments relating to Schedule III of the Companies Act, 2013 for better understanding and comparability. The reclassifications / regroupings do not have material impact on the consolidated financial statements.

3.27 The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

3.28 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 certain provisions of the Code will come into effect and the rules thereunder has not been notified. The Group 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.

For and on behalf of the Board of Directors

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

A.J. Shaikh
Partner
Membership Number : 203637

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 24, 2024
Bengaluru

May 24, 2024
Chennai

Part "A": Subsidiaries

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

₹ Crores

S.no	Subsidiary	Acquired on	Country of incorporation	Reporting Currency	Share capital (including share application money pending allotment)	Other equity	Total liabilities	Total assets	Investments (except in case of investments in subsidiaries)	Turnover	Profit / (Loss) before taxation	Tax Expenses/ (Credit)	Profit / (Loss) after taxation	Other Comprehensive Income	Total Comprehensive Income	% of Shareholding
1	Hinduja Leyland Finance Limited and its subsidiaries	April 1, 2013	India	INR	535.16	6,277.63	38,066.63	44,879.42	1,899.51	4,659.90	845.50	204.96	640.54	573.24	1,213.78	60.40%
2	Global TVS Bus Body Builders Limited	December 10, 2013	India	INR	9.90	29.10	70.62	109.62	-	192.09	3.04	0.71	2.33	(0.12)	2.21	66.67%
3	Gulf Ashley Motors Limited	April 1, 2013	India	INR	29.70	(24.74)	68.26	73.22	0.02	265.52	(1.28)	(0.34)	(0.94)	(0.05)	(0.99)	93.15%
4	Optare PLC and its subsidiaries	April 1, 2013	UK	GBP	1,030.97	(945.32)	1,840.68	1,926.33	-	707.30	(475.31)	(18.29)	(457.02)	(36.97)	(493.99)	92.59%
5	Ashley Aviation Limited	January 1, 2019	India	INR	42.70	(37.55)	8.05	13.20	-	10.37	(5.18)	-	(5.18)	0.03	(5.15)	100.00%
6	Ashok Leyland (Nigeria) Limited	April 1, 2013	Nigeria	NGN	0.36	(1.66)	14.49	13.19	-	16.05	(2.11)	0.08	(2.19)	-	(2.19)	100.00%
7	Ashok Leyland (Chile) SA	April 1, 2013	Chile	CLP	3.76	(3.70)	0.01	0.07	-	-	(0.20)	-	(0.20)	-	(0.20)	100.00%
8	HLF Services Limited	April 1, 2013	India	INR	0.05	17.28	29.78	47.11	-	259.29	4.50	1.96	2.54	0.29	2.83	81.72%
9	Ashok Leyland (UAE) LLC and its subsidiaries	April 1, 2015	UAE	AED	96.52	(3.37)	684.56	777.71	-	1,668.58	57.79	3.47	54.32	0.98	55.30	100.00%
10	Albonair (India) Private Limited	April 1, 2013	India	INR	45.00	94.61	257.89	397.50	-	968.02	93.47	23.93	69.54	(0.28)	69.26	100.00%
11	Hinduja Tech Limited and its subsidiaries*	February 25, 2021	India	INR	210.26	21.19	416.60	648.05	5.19	626.96	31.12	12.67	18.45	3.80	22.25	73.22%
12	Albonair GmbH, Germany and its subsidiary	April 1, 2013	Germany	EUR	372.38	(345.58)	222.03	248.83	-	356.05	11.74	3.95	7.79	0.23	8.02	100.00%
13	Vishwa Buses and Coaches Limited	November 19, 2020	India	INR	39.80	1.75	66.58	108.13	-	239.91	10.57	0.14	10.43	0.01	10.44	100.00%
14	Gro Digital Platforms Limited	April 14, 2021	India	INR	50.00	(20.21)	101.93	131.72	-	328.25	(11.51)	(0.91)	(10.60)	(0.06)	(10.66)	80.20%
15	OHM Global Mobility Private Limited	September 1, 2023	India	INR	300.00	3.34	124.73	428.07	-	11.12	5.66	2.34	3.32	0.02	3.34	100.00%

* Hinduja tech limited and its' subsidiaries holds 50% in its' Joint venture, Zebeyond Limited (Investment amounting to ₹8.84 crores comprising of 150 shares) and exercises significant influence via voting rights. Networth of Zebeyond Limited (not subject to audit) as at March 31, 2024 is ₹ 5.19 crores and its' total comprehensive loss is ₹ 6.96 crores of which ₹ 3.48 crores is considered for consolidation.

Notes:

1 Reporting period of all entities mentioned above is April to March
2 There is no dividend proposed by the above entities
3 Exchange rate used in case of foreign subsidiaries, associates and joint ventures are given below:

CURRENCY	EUR	GBP	CLP	USD	NGN	AED	LKR
Closing Rate	89.88	105.03	0.09	83.41	0.06	22.71	0.28
Average Rate	89.78	104.05	0.10	82.79	0.11	22.54	0.26

4 During the year, Optare Australia PTY Ltd and Hinduja Insurance Broking and Advisory Services Limited, step down subsidiaries of the Parent Company have been liquidated.

Part "B": Associates and Joint Ventures

₹ Crores

Sl.No	Name of Associate / Joint Venture	Latest Audited Balance Sheet date	Shares held by the Parent Company as at the year end			Significant influence	Reason for not consolidating	Networth	Total comprehensive income for the year	
			No.	Investment Held (₹ Crores)	Holding %				Considered in consolidation	Not considered in Consolidation
	(A) Associates									
1	Ashok Leyland Defence Systems Limited	31-Mar-24	79,92,218	25.39	48.49%	Voting Power	Not Applicable	85.74	6.33	6.72
2	Lanka Ashok Leyland PLC	31-Mar-24	10,08,332	0.57	27.85%	Voting Power	Not Applicable	127.45	8.65	22.42
3	Mangalam Retail Services Limited	31-Mar-24	37,470	0.04	37.48%	Voting Power	Not Applicable	0.09	##	##
	(B) Joint Ventures									
1	Ashley Alteams India Limited	31-Mar-24	7,59,47,500	75.94	50.00%	Voting Power	Not Applicable	43.03	8.87	8.87
2	TVS Trucks and Buses Private Limited (From 23rd February, 2024)	Not Applicable	2,49,50,000	24.95	49.90%	Voting Power	Not Applicable	46.37	(1.80)	(1.83)
3	Ashok Leyland John Deere Construction Equipment Company Private Limited # (under liquidation)	24-Sep-21	17,27,270	1.73	50.00%	Voting Power	Not Applicable	12.78	-	0.65

The Company along with its subsidiary Gulf Ashley Motor Limited holds 50% interest.
amount is below rounding off norms adopted by the Group.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 24, 2024
Bengaluru

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 24, 2024
Chennai

NOTE

NOTE

ASHOK LEYLAND

Koi Manzil Door Nahin

Registered Office - Ashok Leyland Limited, No. 1, Sardar Patel Road, Guindy, Chennai - 600032,
Tel. - 91 44 2220 6000 | **E-mail -** reachus@ashokleyland.com | **Website -** www.ashokleyland.com

CIN: L34101TN1948PLC000105

HINDUJA GROUP