July 6, 2022

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 Sirs,

Submission of Annual Report for the year 2021-22

The Seventy Third Annual General Meeting (AGM) of the Company is scheduled to be held through Video Conferencing ("**VC**")/ Other Audio Visual Means ("**OAVM")** on **Friday, July 29, 2022** 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 2021-22 along with AGM Notice sent to the shareholders.

Kindly take the above on record.

Thanking you,

Yours faithfully,
for Ashok Leyland Limited

N Ramanathan
Company Secretary

Encl.: a/a

ASHOK LEYLAND

Aapki Jeet. Hamari Jeet.

AHEAD OF THE CURVE

ANNUAL REPORT
FY 2021-2022

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 Shareholder,

I hope you and your family are keeping safe and well. I am quite pleased to advise that we have achieved creditable market and financial performance during 2021-22. The success is gratifying especially because your Company could overcome the strong headwinds the industry faced, with collective will and determination. While the intensity of the global pandemic abated to a significant extent, the second wave impacted us in the first quarter of the last fiscal. While the market began improving from the second quarter, dampeners surfaced in the form of continued shortage of semiconductors, unanticipated and unprecedented increases in commodity prices and severe logistics bottlenecks.

In this backdrop, your Company posted a gradual increase in market share month over month from September 2021 in the Medium and Heavy Commercial Vehicle (MHCV) range, reaching a 30 percent share in March 2022. We have also improved our market share in the Light Commercial Vehicle (LCV) on a year-on-year basis. It is commendable that our International Operations registered a 38 percent growth in sales volume over the last fiscal year. In addition, the businesses of Power Solutions, Defence products and Aftermarket have posted notable gains.

All things considered, for FY22 our Profit after Tax was ₹ 542 Crores against a Loss after Tax of ₹ 314 Crores last year.

I would like to take this opportunity to gratefully acknowledge the immense contribution of each of our employee and every other stakeholder, for rising to the occasion contributing to Ashok Leyland reasserting its position in the industry in these challenging times.

I believe a few other developments would be of interest to you that would promote the long-term sustainability of our business. Products and technology being our core competence, we have developed a robust product plan that has the flexibility to adapt to dynamic market requirements. The AVTR range in the MHCV segment has gained widespread customer acceptance based on proven performance and reliability. The launch of the CNG vehicles in the ICV range has added further strength to our portfolio.

Following on the success of Dost, the Bada Dost model, with its best-in-class power, payload and comfort, is rapidly gaining ground in the LCV segment. It has bagged the Apollo award for "CV of the Year" and "Pickup of the Year", ET Now Global Retail Excellence Award and CII Design Excellence Award. The LCV portfolio was also extended to include a Reefer version in Partner model and an ambulance in Mitr.

With our commitment to clean emission vehicles, we have developed a roadmap covering CNG, LNG, hydrogen, fuel cell and battery electric vehicles to cater to different applications and customer needs. Action is already on to extend CNG and LNG across the full range of trucks and buses. We are pursuing a proactive approach to develop technologies in the areas of Safety, Digital, and Green energy. In Safety, we are working on enabling various levels of Advanced Drive Assistance Systems and plan to roll out these products over the next 3 years. We are closely engaged with key technology partners and customers to enable the development and deployment of these features. In parallel, we are working on developing an ecosystem to enable the customers to deploy the green energy vehicles as well. In Digital, we will continue to work on solutions such as prognostics, customized AMC. As I had mentioned last year, we have structured our Electric Vehicles in bus and LCV segments as a separate business entity called Switch Mobility, through which significant progress has been made in India, U.K., and Spain. Switch is actively participating in several EV related market opportunities in India and abroad. Very recently contemporary 12m buses for the Indian and European markets were showcased.

Our International Operations market expansion strategy is built on our strong presence in SAARC and the GCC and making significant new inroads into the African markets where 15 new distributors have been appointed last year and product models Falcon Super, Gazl and Phoenix RHD were launched.

In the Defence sector, we now have a full range of offerings which consists of combat support, armoured, light specialist and tracked vehicles. The Power Solutions Business is well prepared for the upcoming CPCB 4 emission shift. The previous fiscal saw good growth in the Power Gen and BS CEV 4 industrial segments. We are now looking to expand the business in the non-automotive segment, globally.

Moving forward, our assessment is that the volatility in environment in the near term will be high. The Russia-Ukraine war has triggered massive spikes in crude oil, food, and commodity prices. Globally, inflation has become a major concern. Supply chain disruptions, including chip shortages, are expected to continue. On the positive side, the Indian economy is expected to post a GDP growth rate of over 7 percent. The Government of India is committed to boosting infrastructure spend which should augur well for your Company. This along with the announcement of the vehicle scrappage policy is favourable for our industry. In my view, carefully balancing the long-term sustainable growth aspirations with short term needs is more important now than ever before. This requires flexibility and quick adaptability to ever changing needs, which we have integrated well in our strategies. As always, we will continue to invest in products and people regardless of short-term business fluctuations while being constantly vigilant on costs and returns. Diversity and Inclusion along with customer orientation will be cornerstones of our strategy implementation. We will continue on our digital transformation journey, which has become an all-encompassing business facet and a growing imperative to respond to dynamic consumer expectations.

CHAIRMAN'S MESSAGE

We have taken an early lead in adopting the Environment, Social and Governance (ESG) targets in our plans and operations. Ten focus areas covering various aspects of ESG will be pursued as relevant to our industry and in line with UN SDG goals. Our sustainability initiatives focus on net zero carbon footprint and positive water balance. Our CSR programme "Road to School" covers today 969 schools with about 100,000 children benefitting from this initiative. To recall, this initiative is focusing on improving the quality of education, health, nutrition, social and civic awareness amongst children from Government schools. Our target is to reach 1 million students as soon as possible.

In conclusion, I wish to assure our shareholders that your Company is committed to grow its business sustainably based on operational excellence and strategic foresight. We have always converted every crisis into an opportunity and the last year was no different. We truly owe it to our people who spare no pains to achieve the goals. I am confident that with the actions seeded and the team we have, we will continue our growth trajectory towards our Vision and identified Missions.

I look forward to keeping you posted on the progress of our endeavours and thank you for your continued support to Ashok Leyland.

Yours sincerely,

Dheeraj G Hinduja
Chairman

London
June 30, 2022

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dheeraj G Hinduja, Executive Chairman
(appointed as Executive Chairman w.e.f. November 26, 2021)

Prof. Dr. Andreas H Biagosch

Dr. Andrew C Palmer

Dr. C Bhaktavatsala Rao

Jean Brunol

Jose Maria Alapont

Manisha Girotra

Sanjay K Asher

Saugata Gupta

Shom Ashok Hinduja
(appointed w.e.f. November 12, 2021)

Vipin Sondhi, Managing Director and Chief Executive Officer
(resigned w.e.f December 31, 2021)

Gopal Mahadevan, Whole-time Director and Chief Financial Officer

COMPANY SECRETARY

N Ramanathan

SENIOR MANAGEMENT

N V Balachandar

Venkatesh Natarajan

Dr. N Saravanan

Sanjay Saraswat

Amanpreet Singh

Amandeep Singh

Sanjeev Kumar

S Krishnan

K M Balaji

K C Sathiyanarayanan

K Ram Kumar

Sudhir Chikhle

Kanakasabapathi Subramanian

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: csdstd@integratedindia.in

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A HISTORICAL PERSPECTIVE OF THE COMPANY

₹ Crores

Particulars	2012-13	2013-14	2014-15
Sales Volume			
Vehicles (numbers)	114,611	89,337	104,902
Engines (numbers)	21,757	17,441	14,023
Spare parts and others	1,815	1,213	1,392
Revenue (Gross sales)	**13,299**	**10,561**	**14,486**
Profit before tax	**471**	**(91)**	**442**
Profit after tax	**434**	**29**	**335**
Assets			
Fixed assets	5,971	5,841	5,376
Non-Current Investments	2,338	2,405	2,240
Long term loans and advances	499	1,002	983
Other non-current assets	12	33	20
Non-Current Assets	**8,820**	**9,281**	**8,619**
Current Investments	-	384	408
Inventories	1,896	1,189	1,398
Trade Receivables	1,419	1,299	1,243
Cash and Bank balances	14	12	751
Short Term loans and Advances	871	472	564
Other current assets	76	171	328
Current assets	**4,276**	**3,527**	**4,692**
Total	**13,096**	**12,808**	**13,311**
Financed by			
Share capital	266	266	285
Reserves and surplus	4,189	4,182	4,834
Shareholders funds	**4,455**	**4,448**	**5,119**
Long term borrowings	2,738	3,297	2,566
Deferred tax liability - Net	527	407	510
Long-term provisions and Liabilities	80	70	99
Non-current liabilities	**3,345**	**3,774**	**3,175**
Short-term borrowings	767	587	25
Trade payables	2,485	2,214	2,828
Other current liabilities	1,735	1,697	1,908
Short-term provisions	309	88	256
Current liabilities	**5,296**	**4,586**	**5,017**
Total	**13,096**	**12,808**	**13,311**
Basic Earnings Per Share (₹)	1.63	0.11	1.20
Dividend per share (₹) (Face value ₹ 1 each)	0.60	-	0.45
Employees (numbers)	14,668	11,552	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
Sales Volume							
Vehicles (numbers)	140,457	145,066	174,873	197,366	125,200	100,725	128,326
Engines (numbers)	15,551	16,491	18,751	21,859	20,359	23,923	20,944
Spare parts and others	1,273	1,694	1,950	1,880	1,766	1,703	2,063
Revenue (Gross sales)	**19,993**	**21,453**	**26,633**	**29,055**	**17,467**	**15,301**	**21,688**
Profit before tax	**827**	**1,330**	**2,386**	**2,497**	**362**	**(412)**	**528**
Profit after tax	**390**	**1,223**	**1,718**	**1,983**	**240**	**(314)**	**542**
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
Investments	1,980	2,002	2,451	2,637	2,720	3,069	3,522
Trade Receivables#	-	-	-	-	1	-	-
Loans and Other Financial assets	135	182	60	73	102	58	68
Income tax asset and other non-current assets	610	579	791	1,056	746	450	427
Non-Current Assets	**7,593**	**7,940**	**9,273**	**10,038**	**10,967**	**10,999**	**10,812**
Inventories	1,625	2,631	1,758	2,685	1,238	2,142	2,075
Investments	-	877	3,155	-	-	-	1,298
Trade Receivables	1,251	1,064	945	2,505	1,188	2,816	3,111
Cash and Bank balances	1,593	912	1,042	1,374	1,322	823	1,047
Loans and Other Financial assets	196	211	414	487	926	829	996
Other current assets (including Contract assets)	516	282	749	1,135	749	841	931
Current assets	**5,181**	**5,977**	**8,063**	**8,186**	**5,423**	**7,451**	**9,458**
Assets classified as held for sale	-	123	-	-	-	-	64
Total	**12,774**	**14,040**	**17,336**	**18,224**	**16,390**	**18,450**	**20,334**
Financed by							
Equity Share capital	285	285	293	294	294	294	294
Other Equity	5,123	5,841	6,953	8,039	6,970	6,683	7,043
Equity	**5,408**	**6,126**	**7,246**	**8,333**	**7,264**	**6,977**	**7,337**
Borrowings, Lease liabilities and other financial liabilities	1,995	1,194	514	333	1,431	2,625	2,914
Deferred tax liability - Net	329	127	298	249	265	171	144
Other Non-current liabilities and provisions (including Contract liabilities)	152	172	459	520	431	403	391
Non-current liabilities	**2,476**	**1,493**	**1,271**	**1,102**	**2,127**	**3,199**	**3,449**
Borrowings, Lease liabilities and other financial liabilities	1,517	2,172	1,894	1,700	2,651	1,951	1,369
Trade payables	2,563	3,117	4,888	5,019	3,037	5,165	6,875
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
Current liabilities	**4,890**	**6,421**	**8,819**	**8,789**	**6,999**	**8,274**	**9,536**
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-	12
Total	**12,774**	**14,040**	**17,336**	**18,224**	**16,390**	**18,450**	**20,334**
Basic Earnings Per Share (₹)	1.37	4.24	5.87	6.76	0.82	(1.07)	1.85
Dividend per share (₹) (Face value ₹ 1 each)	0.95	1.56	2.43	3.10	0.50@	0.60	1.00
Employees (numbers)	10,352	11,906	11,865	12,133	11,463	10,758	10,101

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 Third Annual General Meeting (AGM) of Ashok Leyland Limited will be held on **Friday, July 29, 2022** 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, 2022, 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, 2022 together with the Report of Auditors thereon.

2. To declare a dividend for the financial year ended March 31, 2022.

3. To appoint a Director in place of Dr. C Bhaktavatsala Rao (DIN: 00010175) who retires by rotation and being eligible, offers himself for re-appointment.

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED** that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Messers. Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E-300009), Chennai, be and are hereby reappointed as the Statutory Auditors of the Company to hold office for a second term of five consecutive financial years, from the conclusion of this Seventy Third Annual General Meeting till the conclusion of the Seventy Eighth Annual General Meeting at such remuneration and out of pocket expenses in connection with the audit, as may be mutually agreed upon by the Board of Directors and the Statutory Auditors."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "**RESOLVED** that pursuant to the provisions of Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Ordinary Resolution passed by the Members through postal ballot on February 26, 2020 and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, the Members do hereby ratify and confirm the remuneration of ₹ 14,72,63,745/- paid to Mr. Vipin Sondhi (DIN: 00327400), Managing Director and Chief Executive Officer of the Company for the period April 1, 2021 to December 31, 2021 as the minimum remuneration as per the terms of his appointment, including in particular an amount of ₹ 12,64,69,213/- paid to him for the aforesaid period, being the amount in excess of the limits prescribed under the provisions of Section 197 read with Schedule V of the Act, in view of inadequacy of profits for the financial year 2021-2022."

   "RESOLVED FURTHER that the Board of Directors and the Nomination and Remuneration Committee thereof, be and are hereby severally authorized to take such steps as may be necessary, viz., statutory, contractual or otherwise, in relation to the above, to settle all matters arising out of and incidental thereto, to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "**RESOLVED** that pursuant to the provisions of Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Ordinary Resolution passed by the Members at the AGM held on July 31, 2019, and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, the Members do hereby ratify and confirm the remuneration of ₹ 5,73,13,925/-paid/payable to Mr. Gopal Mahadevan (DIN: 01746102), Whole-time Director and Chief Financial Officer of the Company for the financial year 2021-22 as the minimum remuneration as per the terms of his appointment, including in particular an amount of ₹ 4,05,05,545/- paid/payable to him for the financial year 2021-22 being the amount in excess of the limits prescribed under the provisions of Section 197 read with Schedule V of the Act, in view of inadequacy of profits for the financial year 2021-22."

   "RESOLVED FURTHER that the Board of Directors and the Nomination and Remuneration Committee thereof, be and are hereby severally authorized to take such steps as may be necessary, viz., statutory, contractual or otherwise, in relation to the above, to settle all matters arising out of and incidental thereto, to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "**RESOLVED** that pursuant to the provisions of Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Ordinary Resolution passed by the Members through Postal Ballot on January 22, 2022 and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, the Members do hereby ratify and confirm the remuneration of ₹ 1,73,61,111/-paid/payable to Mr. Dheeraj G Hinduja (DIN: 00133410), Executive Chairman of the Company for the period from November 26, 2021 till March 31, 2022 as the minimum remuneration as per the terms of his appointment, including in particular an amount of ₹ 1,11,13,224/- paid/payable to him for the aforesaid period, being the amount in excess of the limits prescribed under the provisions of Section

197 read with Schedule V of the Act, in view of inadequacy of profits for the financial year 2021-22."

"RESOLVED FURTHER that the Board of Directors and the Nomination and Remuneration Committee thereof, be and are hereby severally authorized to take such steps as may be necessary, viz., statutory, contractual or otherwise, in relation to the above, to settle all matters arising out of and incidental thereto, to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED** that pursuant to the provisions of Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the approval of the Members be and is hereby accorded for payment of remuneration to the Non-Executive Directors of the Company for the financial year 2021-2022, as detailed hereunder:

S.No.	Name	₹ in lakhs
1.	Prof. Dr. Andreas H Biagosch, Independent Director	35.03
2.	Dr. Andrew C Palmer, Non-Executive Non Independent Director	27.51
3.	Mr. Jean Brunol, Independent Director	35.86
4.	Mr. Jose Maria Alapont, Independent Director	38.54
5.	Ms. Manisha Girotra, Independent Director	30.38
6.	Mr. Sanjay K Asher, Independent Director	36.87
7.	Mr. Saugata Gupta, Independent Director	35.38
8.	Dr. C Bhaktavatsala Rao, Non-Executive Non-Independent Director	44.18
9.	Mr. Shom Ashok Hinduja, Non-Executive Non-Independent Director	16.25

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its discretion deem desirable, necessary, expedient, usual or proper to implement this Resolution."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that 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 and Regulation 17(6)(e) of 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 based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the remuneration payable to Mr. Dheeraj G Hinduja (DIN: 00133410), Executive Chairman of the Company be and is hereby revised as per details given below, with effect from April 1, 2022 :

Basic Salary, Allowances 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 ₹ 9,00,00,000/- (Rupees Nine Crores only) per annum.

Mr. Dheeraj G Hinduja is entitled to perquisites, commission and retiral benefits as applicable to him as per Company's policy.

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.

Overall remuneration:

The Nomination and Remuneration Committee/Board of Directors as it may in its absolute discretion deem fit, revise the remuneration payable to Executive Chairman, during any financial year, during the currency of the tenure of office, in such manner as may be agreed to between the Nomination and Remuneration Committee/Board and Executive Chairman, subject to the condition that the remuneration by way of salary, perquisites, variable compensation/commission, allowances and other benefits, shall be within the limits permissible under Section 197 read with Schedule V of the Act.

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 the Executive Chairman the above as minimum 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 be and are hereby severally 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."

10. To consider and if thought fit, to pass with or without modification(s), 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') and 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, 2022, 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."

11. To consider and if thought fit, to pass with or without modification(s), 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], the Company's Policy on dealing with Related Party Transactions 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 approval of the Members be and is hereby accorded for the Related Party 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 of vehicles/spares/reconditioned engines/ services/payment of incentives & commission, warranty, sales promotion etc., for FY 2023-24, 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 and other documents, 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)."

12. To consider and if thought fit, to pass with or without modification(s), 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], the Company's Policy on dealing with Related Party Transactions 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 approval of the Members, be and is hereby accorded for the Related Party Transactions (whether an individual transaction or transactions taken together or series of transactions or otherwise) with the Company's step down subsidiary - Switch Mobility Automotive Limited, a 'Related Party' of the Company as per Section 2(76) of the Companies Act, 2013, with respect to sale & purchase of goods, availing or rendering of services, providing any security or guarantee in whatever form called, giving of loans, other expenses/income/transactions etc. for the financial year 2022-23 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 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 and other documents, 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 with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED** that pursuant to the provisions of Section 186 of the Companies Act, 2013 ('the Act') read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (''Board') to (i) give any loan to any person or other body corporate; (ii) give guarantee or provide security in connection with a loan to any other body corporate or person; and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made and the amount for which guarantees or securities have so far been provided to or in all bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of ₹ 2,000 Crores (Rupees Two Thousand Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013."

"RESOLVED FURTHER that the Board (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By Order of the Board

Chennai
May 19, 2022

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. A dividend of ₹ 1.00/- per share has been recommended by the Board of Directors for the year ended March 31, 2022, subject to approval of shareholders. Dividend, if approved at the Annual General Meeting (AGM), shall be paid before August 27, 2022. The Company has fixed Friday, July 15, 2022 as the Record Date for determining entitlement of Members to the dividend for the financial year ended March 31, 2022, if approved at the AGM.

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 May 5, 2022 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('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 ('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 Register of Members and the Share Transfer books of the Company will remain closed from Saturday, July 16, 2022 to Friday, July 29, 2022 (both days inclusive) for the purpose of ensuing AGM of the Company.

4. The relevant Explanatory Statement pursuant to Section 102 of 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 Director seeking re-appointment at this AGM are also annexed.

5. 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 pursuant to the MCA Circulars 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.

6. 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.co.in.

7. 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'). 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 demat account of 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.

8. In compliance with the MCA Circulars and SEBI Circular dated May 13, 2022, Notice of the AGM along with the Annual Report for the FY 2021-22 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 2021-22 will also be 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.

9. 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 22, 2022 through e-mail to secretarial@ashokleyland.com. The same will be replied by the Company suitably.

10. 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 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.

11. 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.

12. 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 the 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 the shares are held by them in physical form.

    Members are requested to note that SEBI vide circular dated November 3, 2021 has mandated that Members holding shares in physical mode are required to update the following with the Company/RTA:

    - PAN;
    - KYC details containing address, mobile number, e-mail address, bank account details;
    - Nomination details or declaration to opt out.

    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.

    Folios wherein any one of PAN, KYC and Nomination are not available on or before April 01, 2023, shall be frozen and those shareholders will not be eligible to lodge grievance or avail service request from the RTA or be eligible for receipt of dividend in physical mode. After December 31, 2025 or such due date as notified, the frozen folios shall be referred by RTA/Company to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

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, as amended, all requests for transfer of securities including transmission and transposition requests 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.

    Members may note that SEBI vide circular dated January 25, 2022 has mandated listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Hence, issue of share certificates in physical form is not permissible.

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., Friday, July 29, 2022.

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

17. **Voting and joining Annual General Meeting through electronic means:**

    (i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of 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 Friday, July 22, 2022. The remote e-voting period commences on Tuesday, July 26, 2022, at 9.00 a.m. IST and ends on Thursday, July 28, 2022 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., Friday, July 22, 2022 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 Friday, July 22, 2022.

    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

    A) **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', the e-voting process has been enabled to all 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**' 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 (a) to (e) 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' icon 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. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
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/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 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/myeasi/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) logging in 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.co.in or call the toll free no.: 1800 1020 990 and 1800 22 44 30
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 call 022-23058738 or 022-23058542-43

B) **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.

   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.co.in 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.

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.

8. For joining the virtual Annual General meeting, you will need to click on "VC/OAVM" link placed under "Join Meeting" from the page displayed after Login.

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 at their registered e-mail address to scrutiniserbc@gmail.com with a copy marked to evoting@nsdl.co.in. 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.co.in, or contact Amit Vishal, Assistant Vice President, or Pallavi Mhatre, Senior Manager, National Securities Depository Ltd., at the designated email IDs: evoting@nsdl.co.in or AmitV@nsdl.co.in or pallavid@nsdl.co.in 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) along with Form ISR-1 for updation of KYC details 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.co.in 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 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. Members will be required to allow Camera and use Internet with good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, 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 19, 2022 (9:00 a.m. IST) to July 20, 2022 (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 22, 2022, 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 22, 2022, 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. Your Company has appointed B Chandra & Associates, Practising Company Secretaries (Firm Reg. No. P2017TN65700), Chennai, as the Scrutinizer to scrutinize the voting at 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 shall be placed on the Company's website www.ashokleyland.com and the website of NSDL www.evoting.nsdl.com. The results shall also be communicated to the Stock Exchanges.

Details on Tax Deduction at Source (TDS) On Dividend Distribution

Dividend income is taxable in the hands of Shareholders and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Income Tax Act, 1961. The Shareholders are requested to update their PAN with the Company/ Integrated Enterprises (India) Private Ltd ("Integrated") (in case of shares held in physical mode) and with the Depositories/ Depository Participants (in case of shares held in demat mode).

Resident Shareholders:

For Resident Shareholders, who have provided valid PAN, tax shall be deducted at source under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend.

Tax shall be deducted at source at 20% wherein–

a) Shareholders do not have a valid PAN / have not registered their valid PAN details in their account/ with the Company/ Integrated,

b) Shareholders classified as specified persons under section 206AB

No tax shall be deducted on the dividend payable to a resident individual if

(a) The aggregate amount of dividend [interim, final or by any other name called] during Financial Year 2022-23 does not exceed ₹ 5,000 for a resident individual Shareholder having valid PAN and is not a Specified Person under section 206AB; or

(b) In cases where the individual Shareholder provides valid Form 15G / Form 15H duly filled in all aspects and signed and also meets all the required eligibility conditions, or

(c) Exemption certificate is issued by the Income-tax Department, if any.

Apart from above cases, following categories of Shareholders are exempt from tax deduction at source as per Sec. 194, 196, 197A of the Income Tax Act, 1961 and/or notification by CBDT:

a) Life Insurance Corporation of India [clause (a) to 2nd proviso to section 194]

b) General Insurance Corporation of India/ The New India Assurance Company Ltd / United India Insurance Company Ltd / The Oriental Insurance Company Ltd / National Insurance Company Ltd [clause (b) to 2nd proviso to section 194]

c) Any other Insurer in respect of any shares owned by it or in which it has full beneficial interest [clause (c) to 2nd proviso to section 194]

d) Dividend income credited/paid to a "business trust", as defined in clause (13A) of section 2, by a special purpose vehicle referred to in the Explanation to clause (23FC) of section 10; [clause (d) to 2nd proviso to section 194]

e) Government [section 196(i)]

f) Reserve Bank of India [section 196(ii)]

g) A corporation established by or under a Central Act which is, under any law for the time being in force, exempt from Income-Tax on its Income [section 196(iii)]

h) Mutual Fund whose income is exempt u/s 10(23D) read with section 196(iv).

i) any person for, or on behalf of, the New Pension System Trust referred to in section 10(44) [subsection 1E to section 197A]

j) Category I or a Category II Alternative Investment Fund established in India whose income is exempt under Section 10(23FBA) (registered with SEBI as per section 115UB) as per Notification 51/2015

k) Recognised Provident fund, Approved gratuity fund, Approved superannuation fund or any other entity entitled to exemption from TDS / covered under circular 18/2017 dt. 29 May 2017.

Shareholders are requested to file their appropriate declarations in the prescribed format with necessary self-attested documentary evidence using the link at https://www.integratedindia.in/ExemptionFormSubmission.aspx.

Non-resident Shareholders:

For Foreign Portfolio Investor (FPI)/Foreign Institutional Investors ('FIIs') category Shareholders, taxes shall be deducted at source under Section 196D of the Act at 20% (plus applicable surcharge and cess).

For other Non-resident Shareholders, taxes are required to be deducted in accordance with the provisions of Section 195 of the Income Tax Act, 1961, at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the tax shall be deducted at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them.

Further, in absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act. Further, in case where PAN is not updated with the Company's RTA or information sought in the declaration are not provided, higher rate of withholding tax as per Section 206AA shall be applied.

However, in case of a non-residents, section 206AA shall not apply in respect of payments in the nature of dividend, if the shareholder furnishes the following details and the documents specified in sub-rule (2) of Rule 37BC of the Income-tax Rules, 1962 to Ashok Leyland Limited:

- Name, e-mail id, contact number;

- Address in the country or specified territory outside India of which the deductee is a resident;

- Tax Residency Certificate (TRC): A certificate of his being tax resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate

- Tax Identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

FPI/FIIs and the Non-resident Shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the Shareholder, if they are more beneficial to them.

To avail benefit of rate of deduction of tax at source under DTAA, such Non-resident Shareholders/FPI will have to provide the following:

1. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;

2. Tax Residency Certificate from the jurisdictional tax authorities confirming residential status for FY 2022-23.

3. Declaration by the non- resident in prescribed Form 10F for FY 2022-23.

4. Self-declaration by the Non-resident Shareholder as to:

    i. Eligibility to claim tax treaty benefits based on the tax residential status of the Shareholder, including having regard to the satisfaction of the place of effective management (POEM), principal purpose test, General Anti Avoidance Rule ('GAAR'), Simplified Limitation of Benefit test (wherever applicable), as regards the eligibility to claim recourse to concerned Double Taxation Avoidance Agreements with India;

    ii. No Permanent Establishment / fixed base in India in accordance with the applicable tax treaty;

    iii. Shareholder being the beneficial owner of the dividend income to be received on the equity shares.

    In case of non-resident Shareholder, having permanent establishment in India, if they are classified as 'specified person' as per the provision of section 206AB, tax will be deducted at rate higher of:

    (a) twice the rate as per the provisions of Income Tax Act, 1961; or

    (b) twice the rate in force; or

    (c) 5%.

General:

Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish details to the Company's registrar and share transfer agent. The Company is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of TDS return.

In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income-tax Act, 1961, we request Resident Shareholders and Non-Resident Shareholders to upload the details and documents referred to in this Notice in the format provided by us and as applicable to you on the link at https://www.integratedindia.in/ExemptionFormSubmission.aspx

No communication on the tax determination / deduction shall be entertained beyond 5.00 p.m. on July 21, 2022.

Deduction of tax at a rate lower than statutory rate or no deduction of tax shall depend upon the completeness of the documents and the satisfactory review of the forms and the documents, submitted by Resident Shareholders, to the Company/RTA.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review of the documents submitted by Non- Resident Shareholder/ FPI, to the Company/ RTA.

Incomplete and / or unsigned forms, declarations and documents will not be considered by the Company for granting any exemption. Decision of the Company with respect to the validity of any document will be final.

In case of any discrepancy in documents submitted by the Shareholder, the Company will deduct tax at higher rate as applicable, without any further communication in this regard. Tax deducted by the Company is final and the Company shall not refund /adjust the tax so deducted subsequently.

It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the details/ documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such higher taxes deducted.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

As required under Section 102 of Companies Act, 2013 ('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.

NOTICE TO SHAREHOLDERS

Item No. 4

Messers. Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E-300009) (PWC), Chennai were appointed as the Statutory Auditors of the Company by the shareholders at the 68th Annual General Meeting (AGM) to hold office for a period of five years from the conclusion of the 68th AGM till the conclusion of the 73rd AGM. PWC will complete their first term of five consecutive years as the Statutory Auditors of the Company at the conclusion of this AGM.

PWC are eligible to be reappointed as Statutory Auditors of the Company for a second term of five years in terms of the provisions of Section 139 of the Act. PWC have consented to their appointment as Statutory Auditors for the second term and have provided a certificate stating that they satisfy the criteria provided in Section 141 of the Act.

The Audit Committee at its meeting held on May 18, 2022 considered various parameters including performance during the first term, the ability to serve a large organisation, the audit experience, technical knowledge etc., and after due and proper diligence have proposed the reappointment of PWC as the Statutory Auditors of the Company to hold office from the conclusion of the 73rd AGM till the conclusion of the 78th AGM of the Company. The Board at its meeting held on May 19, 2022 had also reviewed the recommendation of the Audit Committee and approved the reappointment of PWC as the Statutory Auditors for the Company for the second term as specified above, subject to the approval of the shareholders.

Profile of PWC

Price Waterhouse & Co Chartered Accountants LLP, having a Firm Registration No. 304026E/E-300009, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Firm was established in the year 1991 and was converted into a limited liability partnership in the year 2014. The registered office of the Firm is at Plot No. Y 14, Block EP, Sector V, Salt Lake, Electronic Complex Bidhan Nagar, Kolkata 700 091 and has ten branch offices in various cities in India. The Firm is primarily engaged in providing assurance and auditing services to its clients and is a member firm of Price Waterhouse & Affiliates, a network of firms registered with the Institute of Chartered Accountants of India having Network Registration No. NRN/E/14. Price Waterhouse & Affiliates is a network of eleven separate, distinct and independent Indian chartered accountant firms, each of which is registered with the Institute of Chartered Accountants of India. The Firm has more than 75 Assurance Partners as at April 1, 2022. It has a valid peer review certificate and audits various companies listed on stock exchanges in India.

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

The Board recommends the resolution set forth for the approval of the Members.

Item Nos. 5, 6, 7

Mr. Vipin Sondhi was appointed as the Managing Director and Chief Executive Officer ('MD & CEO') for a period of five years from December 12, 2019 to December 11, 2024, on such terms and conditions including payment of remuneration as mentioned therein. Mr. Vipin Sondhi resigned as the MD & CEO on December 31, 2021 due to pre-occupation and personal reasons, which the Board of Directors have duly noted and agreed as requested by him.

Mr. Gopal Mahadevan was appointed as Whole-time Director and Chief Financial Officer ('WTD & CFO') for a period of five years from May 24, 2019 to May 23, 2024, on such terms and conditions including payment of remuneration as mentioned therein.

Mr. Dheeraj G Hinduja was appointed as the Executive Chairman for a period of three years from November 26, 2021 till November 25, 2024, on such terms and conditions including payment of remuneration as mentioned therein.

Owing to the outbreak of the COVID-19 pandemic, lower offtake in the automobile segment and the shortage of semi-conductor chips, rising commodity prices, the Company's performance has remained subdued in the last two years. While relaxation of COVID-19 restrictions and an increase in the demand contributed to a recovery and better performance as compared to the previous financial year (2020-21), the challenges relating to short supply of semi-conductors and increase in commodity prices affected the Company's performance for the current financial year (2021-22), resulting in inadequate profits for the purpose of computing managerial remuneration.

As a result of the above –

- the remuneration paid to Mr. Vipin Sondhi, then MD & CEO for the period – April 1, 2021 to December 31, 2021;
- the remuneration paid/payable to Mr. Gopal Mahadevan, WTD & CFO for the financial year 2021-22;
- the remuneration paid/payable to Mr. Dheeraj G Hinduja, Executive Chairman for the period November 26, 2021 to March 31, 2022;

exceeds the limits specified under Section 197 and calculations as per Section 198 of the Companies Act, 2013, read with Schedule V thereto.

Mr. Vipin Sondhi in the position of MD & CEO till December 31, 2021 had been at the forefront in leading the Company steer through a very difficult year. Under his able leadership, the Company was able to achieve business as usual while prioritising safety and health of the employees and stakeholders at large. The remuneration stated in the resolution includes the leave encashment component and the retiral benefits forming part of the full and final settlement consequent to his stepping down as MD & CEO on December 31, 2021. The Nomination and Remuneration Committee has reviewed his compensation and his settlement benefits as agreed vis-à-vis the remuneration limits payable under Schedule V of the Act and noted that his remuneration including his settlement is commensurate with the responsibilities taken up by him and the remuneration drawn by his industry peers. The remuneration paid to Mr. Vipin Sondhi, then MD & CEO (till December 31, 2021) amounting to Rs. 14,72,63,745/- includes full and final settlement including his bonus and retiral benefits and leave encashment.

Mr. Gopal Mahadevan, WTD & CFO of the Company has played a crucial role in steering the Company through a very turbulent year. Through effective cash & cost management he has manoeuvred the Company during tough financial situations and transitioned it into a lean debt Company; also effectively contributing towards achieving a positive profit situation. The Nomination and Remuneration Committee has reviewed his remuneration drawn during the last year and felt that considering his responsibilities, the size of the Company and its operations and the remuneration drawn by his industry peers, the remuneration drawn by him is commensurate with the remuneration packages paid to similar executives in other companies.

Mr. Dheeraj G Hinduja was appointed as the Executive Chairman with effect from November 26, 2021 consequent to the resignation of Mr. Vipin Sondhi, MD & CEO. Mr. Dheeraj's business acumen, thorough knowledge of the industry and his strong leadership skills has helped Company navigate through multiple internal and external challenges. With his inclusive leadership style and attention to detail, he has extended strategic guidance to the team to achieve clearly set targets. The Nomination and Remuneration Committee has reviewed his remuneration drawn and felt that considering the responsibilities bestowed on him, the size of the Company and its operations and his ability to deliver results in a short span of time, the remuneration drawn by him is commensurate with the remuneration packages drawn by his industry peers.

The Board of Directors believe that the remuneration as previously approved by the Members of the Company and the remuneration paid/payable to the aforesaid Executive Directors is justified in terms of their roles and responsibilities in the Company.

Pursuant to the provisions of Section 196, 197 and 198 of the Companies Act, 2013 read with Schedule V, a company having inadequate/no profits, may subject to certain conditions, pay such remuneration to its managerial personnel as may be decided by the Nomination and Remuneration Committee/Board of Directors subject to the approval of the shareholders. Accordingly, the Nomination and Remuneration Committee at the meeting held on May 18, 2022 and the Board at the meeting held on May 19, 2022, subject to the approval of the Members of the Company, accorded their approvals for payment of remuneration to Mr. Vipin Sondhi, Mr. Gopal Mahadevan and Mr. Dheeraj G Hinduja, as specified in the relevant resolutions, based on their position, contribution as well as industry trends for similar profiles.

Members may note that the Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditors, if any.

The details of remuneration paid/payable to **Mr. Vipin Sondhi, MD & CEO** as per the terms originally approved by the Members through Postal Ballot on February 26, 2020 is as under:

A. Fixed Compensation

Basic Salary, Allowances, Retiral benefits, etc. not exceeding ₹ 7,50,00,000/- (Rupees Seven Crores Fifty lakhs only) 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 MD & CEO.

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**

The target Annual Performance Pay shall be ₹ 7,50,00,000/- (Rupees Seven Crore Fifty Lakhs only). Annual Performance Pay is based on the performance of the Company as well as contributions made by the MD & CEO, as may be decided by the Nomination and Remuneration Committee and the Board.

100% of the Annual Performance Pay is payable at achievement of targets. Substantial outperformance may lead to payment of up to 150% of the target amount.

C. **Other Terms**

a) In addition to the above, MD & CEO will be entitled to residential security, Company owned/leased and maintained cars with drivers, and reimbursement of non-domiciliary medical expenses for family and dependent parents. Based on mutual convenience, the Company may choose reimbursement of cost of drivers and security at the residence.

b) Club fee, other perquisites, allowances, insurance, Retiral benefits including Gratuity and Provident Fund, etc., shall be as applicable to the Senior management personnel of the Company.

c) For the purpose of calculating the perquisites (including share based payment) 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 MD & CEO.

e) Such number of stock options as may be granted and recommended by the Nomination and Remuneration Committee from time to time.

D. **Overall Remuneration**

The Nomination and Remuneration Committee/Board as it may in its absolute discretion deem fit, revise the remuneration payable to MD & CEO, during any financial year, during currency of the tenure of office of MD & CEO, in such manner as may be agreed to between the Nomination and Remuneration Committee/ Board and MD & CEO, 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 the MD & CEO, remuneration as specified above in paras A, B and C

The details of remuneration paid/to be paid to **Mr. Gopal Mahadevan, WTD & CFO** as per the terms as originally approved by the Members at the 70th AGM held on July 31, 2019 is as under:

A. **Fixed Compensation**

Basic Salary, Perquisites, Allowances, Retiral benefits, etc.: ₹ 3,45,00,000/- (Rupees Three Crores Forty-Five lakhs only) 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, Annual Performance Pay and Commission, shall be based on the Company's performance and contributions made by the WTD, as may 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 a Whole Time Director.

D. **Overall Remuneration**

The 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 of the Act.

E. **Minimum Remuneration**

In the event of any loss or inadequacy of profits for any financial year, the Nomination and Remuneration Committee/Board of Directors shall approve the remuneration payable to WTD & CFO, during such financial year, in such manner as agreed to between the Nomination and Remuneration Committee/Board of Directors and WTD & CFO, however, not exceeding the maximum limits specified in this behalf under Schedule V to the Act.

The details of remuneration paid/payable to **Mr. Dheeraj G Hinduja, Executive Chairman** as per the terms as originally approved by the Members through Postal Ballot on January 22, 2022 is as under:

A. Fixed Compensation

Basic Salary, 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 ₹ 40,00,000 (Rupees forty lakhs only) per month.

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 subject to the perquisites and allowances not exceeding ₹ 20,00,000/- (Rupees Twenty lakhs only) per annum.

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.

B. 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, perquisites, allowances and other benefits, shall be within the limits as permissible under Section 197, read with Schedule V of the Act and as stated hereinabove.

C. 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.

In respect of Item no. 5, except Mr. Vipin Sondhi, then MD & CEO and his relatives to the extent of their shareholding interest, if any, none of the other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise in the Item no. 5.

In respect of Item no. 6, except Mr. Gopal Mahadevan, WTD & CFO and his relatives to the extent of their shareholding interest, if any, none of the other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise in the Item no. 6.

In respect of Item no. 7, except Mr. Dheeraj G Hinduja, Executive Chairman and his relatives none of the other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise in the Item no. 7.

STATEMENT IN TERMS OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013:

I. GENERAL INFORMATION:

1. Nature of industry:

   Ashok Leyland Limited is a global automotive and transport vehicle group engaged in the business of manufacture and sale of commercial/passenger, defence vehicles and power solutions. The Company provides a wide spectrum of transportation related products and services, with superior quality and high standards of safety and environmental care, to customers in selected segments. The Company is the second largest manufacturer of commercial vehicles in India in the medium and heavy commercial vehicle segment, eighth largest manufacturer of buses in the world and the fifteenth largest manufacturer of trucks globally. With a footprint that extends across 50 countries, the Company is one of the most fully-integrated manufacturing companies in the world.

2. Date or expected date of commencement of commercial production:

   The Company was incorporated on September 7, 1948 with Registration No.68 of 1948-49, in the State of Tamil Nadu under the Companies Act, 1913. Since then, the Company had commenced its business.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.

4. Financial performance based on given indicators

(₹ in Crores)

Financial year	2021-22	2020-21	2019-20
Gross Revenue	21,688	15,301	17,467
Profit before Interest, Depreciation and Tax	528	(412)	362
Profit after Tax	542	(314)	240
Rate of dividend (₹)	1.00/-	0.60/-	0.50/-
Earnings per share (₹)	1.85	(1.07)	0.82

5. Foreign investments or collaborations, if any.

The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company during the previous three financial years. The foreign investors, mainly comprising Promoter Group entities, FIIs and NRIs are investors in the Company on account of past issuances of securities and/or secondary market purchases. As at March 31, 2022, the aggregate foreign shareholding in the Company was 65.74%.

II. INFORMATION ABOUT EXECUTIVE DIRECTORS:

1) **Mr. Vipin Sondhi, MD & CEO**

a) Background details

Mr. Vipin Sondhi has over three decades of experience in Manufacturing and Engineering based companies such as JCB, Honda, Tata Steel and Tecumseh. Prior to Ashok Leyland, he was heading JCB India, where he spent over 13 years, and was a member of JCB's global executive team. He led the $1.7 billion JCB business, with five manufacturing plants situated in three locations, and established market leadership in the Construction Equipment Industry. JCB's Made-in-India products were also exported to over 100 countries, cumulatively, during his time.

Mr. Vipin Sondhi has a strong and proven track record as a leader, and is a passionate hands-on professional. He is an alumnus of The Indian Institute of Management, Ahmedabad, The Indian Institute of Technology, New Delhi, and did his schooling at The Lawrence School, Sanawar. These institutions helped him constantly expand the boundaries in academics, as well as extra-curricular activities that laid the foundation for holistic development.

He was appointed by the Government of India as the Chairperson of the Board of Governors, of the Indian Institute of Science Education and Research (IISER), Bhopal in December 2015. An elected member of the Confederation of Indian Industry's (CII) National Council, he has been the Chairman of Excon, South Asia's largest exhibition for Construction Equipment from 2006 to 2019.

Mr. Vipin Sondhi was appointed as the Managing Director & CEO in November 2019, soon after which the COVID-19 pandemic struck. During his tenure, the Company was marred by challenges of COVID-19, the lower offtake in the Auto sector, shortage of semi-conductors, rising commodity prices etc. The Company under the able leadership of Mr. Vipin Sondhi has been able to steer through and emerge successfully out of the difficult times keeping the safety and health of its stakeholders a priority.

Mr. Vipin Sondhi, resigned as the MD & CEO with effect from December 31, 2021.

Considering his significant contribution during his tenure as an MD & CEO in a challenging environment, the Board believes that the remuneration paid to him during the period – April 1, 2021 and December 31, 2021 is justified.

b) Past remuneration

The remuneration for the last 3 financial years is given hereunder:

(₹ in Crores)

Financial year	2020-21	2019-20	2018-19
Mr. Vipin Sondhi	10.70	2.22	-*

*Joined the Company as MD & CEO with effect from December 12, 2019.

c) Mr. Vipin Sondhi has received several awards & recognitions.

d) Job profile & suitability

Mr. Vipin Sondhi was appointed as a Director on November 8, 2019 . Keeping in view that Mr. Vipin Sondhi brought with him a rich experience of over three decades, the Board had decided that it would be in the interest of the Company to appoint Mr. Vipin Sondhi as the MD & CEO of the Company for a period of five years from December 12, 2019 to December 11, 2024.

e) Remuneration proposed: As mentioned in the resolution under item no. 5.

f) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be with respect to the country of his origin)

Taking into consideration the size and operations of the Company, the profile of the MD & CEO, the responsibilities handled by him and the industry benchmarks, the remuneration paid is commensurate with the remuneration packages paid to similar senior levels in other companies.

g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Mr. Vipin Sondhi had no pecuniary relationship directly or indirectly with the Company or its Managerial Personnel other than the remuneration drawn during his tenure as MD & CEO and except to the extent of his shareholding in the Company.

2) **Mr. Gopal Mahadevan, WTD & CFO**

a) Background details

Mr. Gopal Mahadevan is a member of the Institute of Chartered Accountants of India and a qualified

Company Secretary with over 33 years of experience across a spectrum of industries. Mr. Gopal Mahadevan has worked in manufacturing, internet services, financial services and project companies. Earlier to Ashok Leyland Limited, he was the Chief Financial Officer at Thermax Limited and Amara Raja Batteries Limited. 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 joined Ashok Leyland Limited as Chief Financial Officer (CFO) in July 2013, and has been one of the core team members leading the turnaround and growth of the Company. Currently, aside of being CFO, he also leads the Corporate Planning and Strategy Function. He is a Member of the Board of several subsidiaries and associate companies of Ashok Leyland Limited.

b) Past remuneration

The remuneration for the last 3 financial years is given hereunder:

(₹ in Crores)

Financial year	2020-21	2019-20	2018-19*
Mr. Gopal Mahadevan	4.87	4.57	-

*Not applicable since he was appointed as a Whole-time Director only with effect from May 24, 2019.

Mr. Gopal Mahadevan has received several awards and recognitions including from the Institute of Chartered Accountants of India.

c) Job profile and his suitability

The Board of Directors, at its meeting held on May 24, 2019 appointed Mr. Gopal Mahadevan as an Additional Director of the Company and also designated him as a Whole-time Director and Chief Financial Officer ('WTD & CFO') of the Company for period of five years from May 24, 2019 to May 23, 2024.

Taking into consideration, the qualifications, varied experience and achievements, the Board had bestowed upon Mr. Gopal Mahadevan, the responsibilities of WTD & CFO of the Company and continues to consider him suitable for the position.

d) Remuneration proposed

As mentioned in the resolution under item no 6.

e) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be with respect to the country of his origin)

Taking into consideration the size and operations of the Company, the profile of the WTD & CFO, the responsibilities handled by him and the industry benchmarks, the remuneration paid/payable is commensurate with the remuneration packages paid to similar senior levels in other companies.

f) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Mr. Gopal Mahadevan has no pecuniary relationship directly or indirectly with the Company or its Managerial Personnel other than his remuneration in the capacity of the WTD & CFO and except to the extent of his shareholding in the Company. As at March 31, 2022, he holds 20,620 shares in the Company.

3) **Mr. Dheeraj G Hinduja, Executive Chairman**

a) Background details

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 specialization in Project Management from the Imperial College, London University, 1994. Dheeraj is a third generation member of the Hinduja Family, which owns and controls the Hinduja Group, with diversified business interests all over the world. Employing over 100,000 people, the Hinduja Group's portfolio includes businesses in Automotive, Energy, Infrastructure, Finance & Banking, IT & ITES, Media, Healthcare etc. Dheeraj has about 30 years of experience at strategic and leadership levels across the spectrum of businesses. An entrepreneur representing a global business conglomerate, his areas of expertise include multi-sectoral global business portfolio strategies, building and transforming organizations, 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 the Company, Hinduja Leyland Finance Limited, Hinduja Tech Limited, Gro Digital Platforms Limited, Switch Mobility Limited, U.K. and Switch Mobility Automotive Limited, India.

b) Past remuneration

The remuneration for the last 3 financial years is given hereunder:

(₹ in Crores)

Financial year	2020-21	2019-20	2018-19
Mr. Dheeraj G Hinduja	0.82	1.17	10.12

Since Mr. Dheeraj G Hinduja was appointed as the Executive Chairman with effect from November 26, 2021, the above table represents the remuneration by way of commission and sitting fee drawn by Mr. Dheeraj G Hinduja as a Non-Executive Chairman. The above remuneration, will hence not be comparable with the remuneration paid/payable to him as an Executive Chairman.

c) Mr. Dheeraj G Hinduja has received various recognitions and awards.

d) Job profile and his suitability

Consequent to the resignation of Mr. Vipin Sondhi, MD & CEO with effect from December 31, 2021, the Board of Directors (the "Board") considering Mr. Dheeraj G Hinduja's business acumen and thorough knowledge of the industry, appointed him as the Executive Chairman with effect from November 26, 2021 to November 25, 2024. Mr. Dheeraj G Hinduja, in his stint as the Executive Chairman has led the Company navigating through multiple internal and external challenges. With his inclusive leadership style and attention to detail, he provided the required support and guidance to the team to achieve clearly set targets. Hence, the Board believes that his association with the Company as the Executive Chairman is in the best interest of the Company.

e) Remuneration proposed

As mentioned in the resolution under item no. 7.

f) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be with respect to the country of his origin)

Taking into consideration the size and operations of the Company, the profile of the Executive Chairman, the responsibilities handled by him and the industry benchmarks, the remuneration paid/to be paid is commensurate with the remuneration packages paid to similar senior levels in other companies with respect to Mr. Dheeraj G Hinduja's country of origin.

g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Mr. Dheeraj G Hinduja has no pecuniary relationship directly or indirectly with the Company or its Managerial Personnel other than his remuneration drawn by him. As at March 31, 2022, he holds Nil shares in the Company.

III. OTHER INFORMATION:

(1) Reasons for inadequate profits

Owing to the outbreak of the COVID-19 pandemic, lower offtake in the automobile segment and the shortage of semi-conductor chips, rising commodity prices, the Company's performance has remained subdued in the last two years. While the lifting of COVID-19 restrictions and an increase in the demand attributed to a better performance, the challenges relating to short supply of semi-conductors and commodity prices continued to affect the Company this year. This has resulted in the Company reporting inadequate profits (as per Section 198 of the Companies Act, 2013) for the FY 2021-22.

(2) Steps taken or proposed to be taken for improvement

The Commercial Vehicles industry is on a recovery path owing to the improvement in the macroeconomic environment and healthy demand from the end-user industries. The MHCV segment is expected to lead the recovery in the coming months riding on the back of growth in core sectors such as construction & mining, increased capital outlay for infrastructure projects, conducive financing environment and pent up replacement demand. The response for AVTR and BS6 performance is encouraging. LCV volumes should grow further owing to the increased demand for last mile connectivity, especially from the e-commerce segment. The focus on Exports, Defence, Power Solutions and Parts businesses will ensure a balanced growth, even as the Company expands its reach and the products of its core MHCV business. Consequent to the recent initiatives taken by Government of India on duties relating to steel, Your Company is confident that the steel prices will soften and the situation on the semi-conductor will ease. Tighter control on material cost through value engineering and continuous review operating expenses through mission initiatives are expected to improve the profits of your Company.

(3) Expected increase in productivity and profits in measurable terms

In view of the steps taken by the Company as stated above, the Company believes that there will be significant increase in productivity and profitability in the years to come.

Item No. 8

As per Section 197 of the Companies Act, 2013 read with Schedule V and the relevant Rules as amended as on date and as applicable, the Company is required to obtain approval of Members of the Company for payment of remuneration (apart from receiving sitting fees and reimbursement of expenses for attending meetings of the Company) to the Non-Executive Directors including Independent Directors in the event of no profit or inadequate profits.

For the financial year ended March 31, 2022, the Company had inadequacy of profits (profits computed in accordance with Section 198 of the Companies Act, 2013). Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have at their meeting held on May 19, 2022 approved the payment of remuneration to Non-Executive Directors of the Company for the financial year 2021-2022, subject to the approval of the Members as proposed in item no. 8.

Members may note that the Non-Executive Directors have been guiding the Company in its Vision and Mission to achieve global standards in its products and performance. The Non-Executive Directors involve their time and expertise beyond participating in the Board meetings, by having regular meetings with the Senior Management team and guiding them in their respective areas of activity. Further, they also participate extensively in the Corporate Plan and budget exercise of the Company on an annual basis, which helps the Company in planning its actions for the rest of the year.

In view of the above and also the fact that the Non-Executive Directors are experts in their respective fields and need to be compensated for their contribution, the Nomination and Remuneration Committee and the Board believes that the remuneration that has been recommended for each of the Directors is required in the longer interest of the Company. Hence, the Board has recommended the remuneration payable to Non-Executive Directors for the financial year 2021-2022. The Nomination and Remuneration Committee has undertaken an extensive evaluation of each of the Directors and their contribution and has arrived at their respective remuneration payable to them.

NOTICE TO SHAREHOLDERS

INFORMATION ABOUT THE NON-EXECUTIVE DIRECTORS:

Background details:

Prof. Dr. Andreas H Biagosch	Retired from McKinsey & Company in July 2012 after 28 years with the Firm. He was a member of McKinsey's Executive Board for 12 years, serving in different roles such as chairing the Client Committee, chairing the Professional Standards Committee, and leading all of McKinsey's industry practices worldwide. He was also a member of all of the Firm's personnel committees. In his client work, he is known for developing and nurturing long-term partner-like relationships with leading companies in the automotive, aerospace and defense, and high-tech sectors.
Dr. Andrew C Palmer	He is the Founder and CEO of Palmer Automotive Ltd and serves as Non-Executive Chairman of Optare Plc., as well as Non-Executive Director of Ashok Leyland Limited., Executive Vice Chairman of Switch Mobility Ltd UK and Non-Executive Chairman of Hilo Ltd from 2021, Chairman of Inobat Auto and Inobat Auto UK. He was the President and CEO of Aston Martin from 2014 to 2020, and Non-Executive Director from 2016-2021 of Secured by Designs Ltd. In 2017, he was appointed as Chairman of the productivity and skills commission of the new West Midlands Combined Authority (WMCA). In 2010, Coventry University awarded him an Honorary Doctorate of Technology and in 2014 he was appointed Professor, advising the university in the automotive field.
Mr. Jean Brunol	Mr. Jean Brunol was a Senior Vice President Business & Operations Strategy, Member of Federal Mogul Strategy Board, Federal Mogul Corporation in charge of worldwide Business and Operations Strategy as well as International Operations. He was previously Senior Vice President Business Strategy and International Operations at IVECO a leading Commercial Vehicle Manufacturers and based in Italy and Managing Director and before Managing Director and CEO of SAFT a worldwide recognized battery Company.
Mr. Jose Maria Alapont	Mr José Maria Alapont is an [Independent Non-Executive Director] on the Board of Switch Mobility and chairs both the Audit Committee and ESG committee. Mr Alapont is also an Independent Director of Ashok Leyland Ltd, the flagship of the Hinduja Group, Hinduja Automotive Ltd, Hinduja Investments and Project Services Ltd and has previously served as Director on the Boards of Navistar Inc, Federal Mogul Corp., Fiat Iveco SpA, Ferroglobe Plc, The Manitowoc Company Inc. and others. Mr Alapont's career of more than 40 years serving at leading executive positions and as Board Director of global automotive companies, provides a great in-depth sector experience and is invaluable as Switch continues to expand globally. Most recently, Mr Alapont served as Chairman, President and CEO of Federal-Mogul Corp. He also served as President and CEO of Fiat Iveco SaP, prior to which he has held executive, President and Vice President positions at other leading vehicle manufacturers and suppliers including Ford Motor Company, Delphi Corp. and Valeo SA. Mr Alapont holds a degree in Industrial Engineering from the Valencia Technical school and a degree in Philosophy from the University of Valencia, Spain.
Ms. Manisha Girotra	Has more than 25 years of investment banking experience, with extensive cross-border M&A expertise across a broad range of industries. She is currently the Chief Executive Officer of Moelis India. Prior to that, she was CEO and Country Head of UBS in India managing its investment bank, commercial bank, markets, equity research and wealth management divisions. She has appeared in Business Today's '25 Most Powerful Women in Business in India' for the past six years as well as Fortune India's '50 Most Powerful Women in Business' in 2014 and 2015
Mr. Sanjay K Asher	A Commerce and a Law Graduate from the Bombay University. He is a qualified Chartered Accountant. He has been a Practising Advocate since 1990 with M/s Crawford Bayley & Co., which is a leading law firm. He was admitted as a Solicitor in the year 1993 and is presently a Senior Partner of M/s Crawford Bayley & Co., He is a Director on the Board of various companies and is a leading authority in legal and corporate law matters
Mr. Saugata Gupta	Mr. Saugata Gupta serves as the Managing Director and Chief Executive Officer of Marico Limited. He is also associated with Delhivery Limited as an Independent Director. A dynamic leader, he is responsible for driving the company's growth and strengthening its presence both nationally and internationally. He has helped transform Marico into a high performing business with a commitment to sustainable development and best in class governance. Saugata 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. Recently, Saugata Gupta has been awarded the Distinguished Alumni Award 2022 by Indian Institute of Management Bangalore. Saugata is an alumnus of IIM Bangalore and holds a chemical engineering degree from IIT Kharagpur.

Dr. C Bhaktavatsala Rao	Dr. C Bhaktavatsala Rao has over 47 years of diversified experience in driving business and organisational growth in reputed world-class Indian companies, including subsidiaries of global MNCs. He served as Managing Director and Executive Chairman of Hospira Healthcare India Private Limited, a Pfizer Company (2010-2015). Prior to that, he was Deputy Managing Director of Orchid Pharma (1998-2010) and Head of Corporate Planning of Ashok Leyland and Hinduja Group (1978-1998). His initial assignments were in State Bank of India, Tata Motors, and Scooters India (1974-1978). Dr. C Bhaktavatsala Rao's expertise and experience covers pharmaceutical and automobile industries as well as other industries. Dr. C Bhaktavatsala Rao executed several growth projects in globally networked multinational environments, establishing facilities, and building organisations. He spearheaded many value-adding initiatives in the companies he was associated with-from conceptualisation to commercialisation. Widely travelled internationally, Dr. C Bhaktavatsala Rao has to his credit several industry-leading global business development and strategic alliances.
Mr. Shom Ashok Hinduja	A third generation member of the Hinduja Family, Mr. Shom Ashok Hinduja is currently 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 is actively involved in Hinduja foundation's philanthropic work in areas of clean water, solar lighting, healthcare, education. Prior to joining the offices in Mumbai, Mr. Shom, worked in the Financial Due Diligence practice at KPMG, New York, as part of the M&A team.

Particulars	**Name of Director**	**Details of remuneration (₹ in Crores)**		
		2020-21	**2019-20**	**2018-19**
Past Remuneration (last 3 financial years)	Prof. Dr. Andreas H Biagosch	0.49	0.52	0.65
	Dr. Andrew C Palmer	0.36	0.38	0.65
	Mr. Jean Brunol	0.44	0.63	0.67
	Mr. Jose Maria Alapont	0.49	0.71	0.75
	Ms. Manisha Girotra	0.39	0.37	0.36
	Mr. Sanjay K Asher	0.47	0.62	0.71
	Mr. Saugata Gupta	0.37	0.20	-
	Dr. C Bhaktavatsala Rao	0.48	Not applicable since he was appointed w.e.f. September 02, 2020	
	Mr. Shom Ashok Hinduja	Not applicable since he was appointed w.e.f. November 12, 2021.		
Recognition or awards	Directors as stated above	Please refer to the background details.		
Job Profile	Directors as stated above	As contained in the letter of appointment issued to the Independent Directors and terms fixed with the Non-Independent Non-Executive Directors.		
Remuneration proposed	Directors as stated above	As mentioned in the resolution set out at Item No. 8 of the Notice.		
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Directors as stated above	The proposed remuneration is comparable and commensurate with the nature and size of the business of the Company as well as the far reaching responsibilities of Directors.		
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any	Directors as stated above	Apart from receipt of remuneration in the form of Commission, sitting fees and reimbursement of expenses, if any, from the Company, none of the Non-Executive Directors have any other pecuniary relationship directly or indirectly with the Company. None of the Non-Executive Directors have relationships with the managerial personnel or other directors of the Company.		

Details relating to Other information on nature of industry, date or expected date of commencement of commercial production, financial performance based on given indicators, foreign investments or collaborations, if any, reasons of loss or inadequate profits, steps taken or proposed to be taken for improvement, expected increase in productivity and profits in measurable terms is covered in the explanatory statement to the items 5, 6 and 7.

All the Non-Executive Directors, except Executive Directors and Key Managerial Personnel or their respective relatives, are concerned or interested, financial or otherwise, in this resolution. The Board recommends the resolution set forth for the approval of the Members.

Item no. 9

The Board of Directors at their meeting held on November 26, 2021 appointed Mr. Dheeraj G Hinduja as the Executive Chairman for a period of three years commencing from November 26, 2021 to November 25, 2024 and also fixed the terms of remuneration. Subsequently, the approval of the shareholders was obtained on January 22, 2022 through Postal Ballot through an Ordinary Resolution for his appointment as an Executive Chairman and payment of remuneration.

Mr. Dheeraj G Hinduja was appointed as the Executive Chairman to take over the roles and responsibilities from Mr. Vipin Sondhi, the then MD & CEO of the Company who resigned with effect from December 31, 2021. The Board has considered Mr. Dheeraj G Hinduja's appointment as the Executive Chairman with an intention to smoothen the transition process and also have an able leader to spearhead the Company in these challenging times. Under the strategic guidance of Mr. Dheeraj G Hinduja, the Company has displayed signs of recovery.

The Nomination and Remuneration Committee believes that the remuneration approved earlier is not commensurate with the increased responsibilities vested on Mr. Dheeraj G Hinduja and hence considered recommending a revision in the remuneration as contained in the resolution. The remuneration proposed to be revised will be effective from April 1, 2022.The Board of Directors at its meeting held on May 19, 2022 considered the revision in remuneration of Mr. Dheeraj G Hinduja and believes that the revision in remuneration is justified in terms of the responsibilities, the size of the Company, the industry benchmarks etc. and hence has approved the revision, subject to approval of Members.

As per Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the fees or compensation payable to executive directors who are promoters or members of the promoter group, is subject to the approval of the shareholders by special resolution in general meeting, if -

(i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or

(ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

Since the proposed remuneration payable to Mr. Dheeraj G Hinduja will be in excess of the limits as stated above, the proposal is placed before the Members as a Special Resolution.

Except Mr. Dheeraj G Hinduja, none of the other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise in the aforesaid Resolution. The Board recommends the resolution set forth for the approval of the Members.

Item No. 10

Pursuant to the provisions of Section 148 of Companies Act, 2013 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 June 24, 2021 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 2021-22 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 resolution set forth for the approval/ ratification of the Members.

Item No. 11

TVS Mobility Private Limited (formerly, TV Sundram Iyengar & Sons Private Limited) is one of the prominent dealers of the Company's products including spare parts and after-market services for the past many years. TVS Mobility Private Limited (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 (hereinafter referred to as '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 Companies Act, 2013 to GTVS by virtue of it being the investing company.

As per the amended definition of Related Party Transactions (which became effective from April 1, 2022) 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 Related Party Transaction effective from April 1, 2022.

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 ₹ 1000 Crores or 10% of the annual consolidated turnover as per last Audited Financial Statements, whichever is lower would be considered 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 2023-24 and the market trend, the Company expects that the aggregate value of transactions between the Company and TVS Mobility during the FY 2023-24 is estimated to be in the range of ₹ 7000 Crores to ₹ 8000 Crores. Hence, approval of the Members of the Company is sought by way of an Ordinary Resolution for the transactions with TVS Mobility, in one or more tranches, for the FY 2023-24.

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 18, 2022 and May 19, 2022 have after due examination recommended the Material Related Party Transactions with TVS Mobility for consideration and approval by the Members.

The Audit Committee and the Board of the Company 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. The Board, therefore, recommends the Resolution set out in the Notice for the approval of the Members in terms of Regulation 23(4) of the SEBI Listing Regulations.

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 resolution for the approval of the Members.

Item no. 12

Switch Mobility Automotive Limited (SWITCH) is a step down subsidiary of the Company incorporated in December, 2020 with an objective of manufacturing and dealing in Electric Vehicles. To enable SWITCH to manufacture Electric Vehicles, the Company has effective from October 1, 2021 transferred the Electric Vehicles business to SWITCH on a slump sale basis.

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.

SWITCH, being as step down subsidiary of the Company is a Related Party and hence all transactions between the Company and SWITCH are Related Party Transactions.

Pursuant to the amended Regulation 23(4) of the SEBI Listing Regulations, with effect from April 1, 2022, 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 ₹ 1000 Crores or 10% of the annual consolidated turnover as per last Audited Financial Statements, whichever is lower would be considered 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 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 2022-23 will be in excess of ₹ 1000 Crores and is estimated to be in the range of ₹ 1500 Crores to ₹ 2000 Crores. Hence, approval of the Members of the Company is sought by way of an Ordinary Resolution for the transactions with SWITCH in one or more tranches, for the FY 2022-23.

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 at its meeting held on February 11, 2022 has provided an omnibus approval for the Related Party Transactions proposed to be entered into with SWITCH and has further recommended the same to the Board. The Board at its meeting held on May 19, 2022 had considered and reviewed the Material Related Party Transactions with SWITCH and the terms attached to it.

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

The Board, therefore, recommends the Resolution set out in the Notice for the approval of the Members in terms of Regulation 23(4) of the SEBI Listing Regulations.

Except for Mr. Dheeraj G Hinduja, Executive Chairman, Mr. Gopal Mahadevan, WTD & CFO and Dr. Andrew C Palmer, Non Executive Non Independent Director, 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 resolution set forth for the approval of the Members.

Item no. 13

The Company in the normal course invests in the shares of companies including subsidiaries, joint ventures, associate companies etc. The Company also provides guarantees, loan/security to entities including subsidiaries, associates and joint ventures from time to time for furthering their businesses, in compliance with the applicable provisions of the Companies Act, 2013.

As per the provisions of Section 186 of the Companies Act, 2013, a company is permitted to directly or indirectly –

(a) give any loan to any person or other body corporate;

(b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and

(c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate.

only upto a limit of (i) 60% of its paid-up share capital, free reserves and securities premium account (ii) 100% of its free reserves and securities premium account, whichever is more.

Further, the aforesaid section of the Companies Act, 2013 provides that where the giving of any loan or guarantee or providing any security or acquisition as provided under Section 186(2) of the Act, exceeds the aforesaid limits, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting.

As per the latest audited Balance Sheet of the Company as on March 31, 2022, 60% of the paid-up share capital, free reserves and securities premium account amounts to ₹ 3540 Crores (Rupees Three Thousand Five Hundred and Forty Crores) while 100% of its free reserves and securities premium account amounts to ₹ 5607 Crores (Rupees Five Thousand Six Hundred and Seven Crores). Therefore, the maximum limit available to the Company under Section 186(2) of the Act is ₹ 5607 Crores. As at March 31, 2022, the aggregate balance available for making further investments, providing loans/guarantees by the Company to entities including subsidiaries, associates and joint ventures, as the case may be, amounts to ₹ 998 Crores.

The Company is engaged in the manufacture and sale of commercial vehicles, after markets, Defence Power Solutions, Electric Vehicles, technologies, Customer Solutions Business etc., and also provides a wide spectrum of transportation related products and services by making investments either directly or through its subsidiaries and further gives guarantees or provides security in respect of the loans availed by its subsidiaries to meet their operational requirements and working capital needs. As a measure of achieving greater financial flexibility considering the long term strategic and business objectives and in order to make optimum use of the funds available, the Board of Directors at their meeting held on May 19, 2022 have recommended increasing the aforesaid threshold subject to approval of the Members of the Company by way of a Special Resolution provided that such excess limits does not exceed ₹ 2,000 Crores (Rupees Two Thousand Crores) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186(2) of the Companies Act, 2013.

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

The Board recommends the resolution set forth for the approval of the Members.

By Order of the Board

Chennai
May 19, 2022

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

NOTICE TO SHAREHOLDERS

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	**Dr. C Bhaktavatsala Rao**	**Mr. Dheeraj G Hinduja**
Date of Birth and Age	August 10, 1949; 72 years	July 27, 1971; 50 years
Date of Appointment	September 2, 2020	September 03, 1996
Qualifications	Ph. D in Industrial Management; M. Tech in Industrial Engineering IIT Madras; B.E. (Mechanical) Engineering from Sri Venkateswara University, Tirupati	Mr. Dheeraj holds a B.Sc. (Hons) degree in Economics & History from the University College, London, 1993 and Masters in Business Administration with specialization in Project Management from the Imperial College, London University, 1994.
Expertise in Specific functional areas	Over 47 years diversified experience in strategic and operational leadership of large companies in India, including subsidiaries of global MNCs. His last full time assignment was as Managing Director and Executive Chairman of Hospira Heath Care India Private Limited and Pfizer Co between 2010-15.	Mr. Dheeraj is an entrepreneur, and part of a global business conglomerate-Hinduja Group. His areas of expertise include multi-sectoral global business portfolio strategies, building and transforming organizations, 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.
Board Membership of other Companies as on date of the Notice	1. Leadercrest Academy Private Limited 2. Finsop Consulting Private Limited 3. Sentiss Pharma Private Limited	1) Hinduja Tech Limited* 2) Hinduja National Power Corporation 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*
Chairmanship(s)/ Membership(s) of Committees of other Companies as on date of the Notice	1) Sentiss Pharma Private Limited a) Audit Committee - Member	1) Hinduja National Power Corporation Limited (a) Nomination and Remuneration Committee - Member (b) Corporate Social Responsibility Committee - Chairman 2) Hinduja Tech Limited (a) Nomination and Remuneration Committee - Member (b) Corporate Social Responsibility Committee - Chairman 3) Hinduja Leyland Finance Limited (a) Nomination and Remuneration Committee - Member (b) Corporate Social Responsibility Committee - Chairman (c) Risk Management Committee - Member
Number of shares held in the Company (self and as a beneficial owner)	1,690 shares in individual capacity and 6,550 shares as the Karta of HUF	Nil

Name of the Director	Dr. C Bhaktavatsala Rao	Mr. Dheeraj G Hinduja
Remuneration proposed to be paid	Sitting fees and such amount of remuneration as may be decided by the Nomination and Remuneration Committee/Board	As mentioned in the resolution
Remuneration last drawn	Refer Corporate Governance Report	Refer Corporate Governance Report
Terms and conditions of appointment	As mentioned in the resolution in Item no. 3	Appointed as the Executive Chairman for a period of three years with effect from November 26, 2021 to November 25, 2024 with the approval of the shareholders vide Postal Ballot on January 22, 2022.
Relationship with other Directors or KMP of the Company	Nil	Nil
Number of meetings of the Board attended	Refer Corporate Governance Report	Refer Corporate Governance Report

**Chairman of the Board*

#Co-Chairman of the Board

Note: Dr. C Bhaktavatsala Rao has not resigned from any listed entity in the last three years (as required under Regulation 36(3)(d) of SEBI Listing Regulations).

DISCLOSURE PURSUANT TO SEBI CIRCULAR DATED NOVEMBER 22, 2021

Particulars of the transaction(s) as required pursuant to provisions of the Companies Act, 2013 and SEBI Circular dated November 22, 2021 are as under: -

Name of the Related Party	Switch Mobility Automotive Limited (SWITCH)	TVS Mobility Private Limited
Relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	SMAL is a step-down subsidiary of the Company	TVS Mobility Private Limited is a Related Party under Section 2(76)(viii)(c) of the Companies Act, 2013 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.
Nature, material terms, particulars of the contract or arrangements; and monetary value	Sale and purchase of vehicles/spares/engines/ materials/service/assets/technology, testing charges, Contract manufacturing, Resource sharing/ IT Sharing/any other sharing, Rental Income, fee for Corporate Guarantee, Subcontracting, Short term advance/loan, Reimbursement of expenses, investments directly or indirectly made and any other transactions for a value in excess of ₹ 1000 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 ₹ 1,500 to ₹ 2,000 Crores for the year 2022-23.	Sale of vehicles/spares/reconditioned engines/ services/payment of incentives & commission, warranty, sales promotion, etc. Transactions entered between the Parties will exceed ₹ 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 ₹ 7,000 to ₹ 8,000 Crores for the year 2023-24.
Tenure of the proposed transaction (particular tenure shall be specified)	One year (FY 2022-23) and recurring in nature	One year (FY 2023-24) 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 a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	In excess of 10% of the annual consolidated turnover of the Company as per the last Audited Financial Statements.	In excess of 10% of the annual consolidated turnover of the Company as per the last Audited Financial Statements.

Name of the Related Party	Switch Mobility Automotive Limited (SWITCH)	TVS Mobility Private Limited
The percentage of the subsidiary company' standalone turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction	In excess of 10% of the annual standalone turnover of the Company as per the last Audited Financial Statements.	Not applicable
Whether the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary.	The approval is sought for Related Party Transactions with SWITCH which also covers transactions relating to financial commitments in any form like Equity, Loans/advances, guarantees etc made directly or indirectly.	Not applicable
Details of the source of funds in connection with the proposed transaction;	Through internal accruals	Not applicable
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	Since the financial commitments would be undertaken through internal accruals, nature of indebtness, cost of funds and tenure is not applicable	Not applicable
applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	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
the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	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;	SMAL is a nascent company venturing into a capital / technology intensive Electric Vehicle business and hence this Related Party Transaction covering the business transactions of purchase & sale of materials and/or services between the Company and SWITCH is of routine nature. The support will be provided as a parent to enable SMAL raise resources at competitive cost and also to give comfort to suppliers (for ability to pay) and to dealers & customers (for ability to deliver and maintain operations).	TVS Mobility Private Limited is one of the prominent dealers of the Company on a pan India basis and hence the transactions with TVS Mobility Private Limited are commercially beneficial and in the best interest of the Company.
Valuation or any other external party report, if any such report has been relied upon	Not applicable	Not applicable
Name of the Director(s) or Key Managerial Personnel who is related, if any;	Mr. Dheeraj G Hinduja, Mr. Gopal Mahadevan and Dr. Andrew C Palmer are Directors on the Board of SWITCH.	None

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, 2022.

FINANCIAL RESULTS

₹ in Crores

	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	21,688.29	15,301.45	26,237.15	19454.10
Other Income	76.13	119.50	86.81	131.16
Total Income	**21,764.42**	**15,420.95**	**26,323.96**	**19585.26**
Profit/(Loss) before tax	**527.61**	**(411.91)**	**(199.59)**	**(67.08)**
Less: Tax expenses/(Credit)	(14.22)	(98.23)	85.86	2.52
Profit/(Loss) after tax	**541.83**	**(313.68)**	**(285.45)**	**(69.60)**
Balance profit from last year	3,459.91	3,768.20		
Profit available for appropriation	**4,001.74**	**3,454.52**		
Appropriation:				
Dividend paid during the year	(176.13)	-		
Transition adjustment and other adjustment		-		
Other Comprehensive (Loss)/Income arising from re-measurement of defined benefit plan (net of tax)	(26.67)	5.39		
Balance of profit carried to Balance sheet	**3,798.94**	**3,459.91**		
Earnings per share (Face value of ₹ 1/-)				
- Basic and diluted (₹)	1.85/1.84	(1.07)/(1.07)	(1.22)/(1.22)	(0.56)/(0.56)

COMPANY'S PERFORMANCE

The Commercial Vehicle market (0-55t GVW) in India grew by 26.0% YoY in total industry volume (TIV) after dropping by 38.0% over the last two consecutive years. M&HCV segment (>7.5t GVW) grew by 49.7% while LCV segment (0-7.5t GVW) grew by 16.7%. International Operations grew by 83.4% over last year driven by similar gains in both M&HCV and LCV segments.

Your Company sold 65,090 M&HCVs in the domestic market (3,789 Buses and 61,301 Trucks including Defence vehicles), registering a growth of 41.5% over last year. LCV with sales of 52,222 vehicles grew by 11.9% over the previous year.

Your Company's sale in M&HCV Trucks segment (excluding Defence vehicles) in India grew by 43.5% to 60,947 units in FY22, as compared to 42,483 units in FY21. Your Company enhanced its product portfolio with CNG models in ICV trucks segment to cater to the boost in demand for alternate fuels in the ecommerce and last-mile delivery applications. Further, product enhancements like High Horsepower Mining Tipper and Surface Tipper, helped your Company to strengthen its presence in Construction and Mining industry. Your Company pioneered in launching 8x2 Multi-Axle Truck with Dual Tyre Lift Axle and 6x2 Multi-Axle Truck with Single Tyre Lift Axle, which were well received during the year.

Your Company's sale in M&HCV Bus segment (excluding Defence vehicles) in India grew by 10.8% to 3,018 units in FY22, as compared to 2,723 units in FY21. The Aftermarket business showed a commendable growth of 30.0% over last year. Your Company added 71 new outlets during the year, increasing the total count to 907 primary touch-points. To keep up with the rising commercial vehicle operations in Northern and Eastern regions of India, your Company opened more than half of the new outlets in these regions.

In LCV, new product 'Bada Dost' has helped your Company register highest ever sales of 52,222 vehicles since inception. Your Company observed overall IO sales growth of 37.0% over FY21. Penetration in LCV portfolio across geographies was made while retaining market leadership position in MDV bus segment in SAARC and GCC countries. Your Company has achieved sales of 20,944 engines in Power Solutions Business aided by new business development with corporates and equipment manufacturers. Despite shortages in availability of semi-conductor chips, your Company has registered robust growth in Power Solutions Business. Your Company supplied an all-time high 1,125 units of completely built up units (CBUs) including bullet proof vehicles and 600 kits to the Indian army and in addition completed the execution of 711 Ambulances in record time 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 the business of the Company.

SHARE CAPITAL

During the year under review, there were no changes to the share capital. The issued and paid up share capital of the Company consist of 2,935,527,276 shares of face value ₹ 1/- each amounting to ₹ 2,935,527,276/- as on the date of the report.

DIVIDEND

The Dividend Distribution Policy framed in line with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is ("SEBI" Listing Regulations) appended to this report and is hosted on the Company's website at https://www.ashokleyland.com/backend/in/wp-content/uploads/sites/2/2021/01/Dividend_Distribution_Policy.pdf#toolbar=0.

In line with the policy, your Directors have recommended a dividend of ₹ 1/- per equity share of face value of ₹ 1/- each for the financial year ended March 31, 2022 involving an outflow of ₹ 293.55 Crores.

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 amounts to the general reserve out of the amount available for appropriation.

FINANCE

DEBENTURES

During the year under review, your Company has issued and allotted on private placement basis, secured redeemable non-convertible debentures (NCDs) aggregating to ₹ 200 Crores. The funds raised through NCDs have been utilised for capital expenditure and general corporate purposes.

Long term funding

(a) Secured Non-Convertible Debentures (NCDs):

During the year, your Company has placed NCDs to the extent of ₹ 200 Crores. No redemption of NCDs were made during the year.

(b) Rupee Term Loans:

Fresh secured rupee term loans of ₹ 450 Crores were availed during the year. Your Company repaid rupee term loan instalments amounting to ₹ 12.50 Crores on the due date during the year.

(c) External Commercial Borrowings (ECBs):

During the year, your Company has not availed fresh ECBs and no installments were due for repayments.

As at March 31, 2022, Long term borrowings stood at ₹ 3,245.25 Crores as against ₹ 2,576.52 Crores on March 31, 2021.

CREDIT RATINGS (ASSIGNED IN FY 2021-22)

Name of the agency	Type of instrument	Amount ₹ Crores	Rating Action
ICRA	Cash Credit / WCDL	2,000.00	Reaffirmed [ICRA] AA (Negative) / [ICRA] A1+
	Term Loans	1,450.00	Reaffirmed [ICRA] AA (Negative)
	Unallocated	200.00	Reaffirmed[ICRA] AA (Negative) / [ICRA] A1+
	Non-fund based limits	1,200.00	Reaffirmed [ICRA] AA (Negative) / [ICRA] A1+
	NCDs	850.00	Assigned / Reaffirmed [ICRA] AA (Negative)
	Commercial Papers	2,000.00	Reaffirmed [ICRA] A1+
CARE	Term Loan – Long Term	500.00	Reaffirmed [CARE] AA (Negative)
	NCDs	600.00	Reaffirmed [CARE] AA (Negative)
	Fund-based /Non-fund based – LT/ST	500.00	Reaffirmed [CARE] AA (Negative) / [CARE] A1+
	Fund based – LT/ST working capital limits	2,000.00	Reaffirmed [CARE] AA (Negative) / [CARE] A1+
	Commercial Paper – (Standalone)	2,000.00	Reaffirmed [CARE] A1+
	Non-fund based – LT/ST-BG/LC	1,200.00	Reaffirmed [CARE] AA (Negative) / [CARE] A1+

HUMAN RESOURCES

Your Company continued the people framework of 6 levers – Culture, Capability, Capacity, Compassion, Collaboration and Contribution to meet dynamic business requirements towards building a high performing and caring organisation. Your Company seamlessly adopted the hybrid working model prior to opening up offices across various locations during the financial year of 2021-22.

Some of the key People initiatives undertaken during the year include:

- Long Term Wage Settlements were signed in 6 manufacturing plants covering 4400 Associates, with specific clauses focusing on flexibility in operations, Productivity, Quality, Safety, Total Employee Involvement etc. linked with variable income for Associates.
- Bonus/Ex-gratia for FY21 was concluded and Memorandum of Understanding was signed covering 8 manufacturing plants and 5100 Associates.
- Under the aegis of Ashok Leyland University, successfully launched Quality Academy which focuses on developing TQBM champions across your Company and Electronics Academy aimed at enhancing the electronics capability to be future ready.
- New HRMS Anchor 2.0 was launched to provide a superior user experience for employees. Anchor 2.0 can be used on a mobile and has features such as ask HR for closer connect with employees, Chatbot, Simplified user interface and AI-based personalised and intuitive Learning eXperience Platform (LXP) which provides multimodal learning through MOOC (Massive Open Online Courses) from platforms such as Coursera, edX, LinkedIn Learning and more. The new LXP provides an engaging learning experience through mobile app, personalised recommendations and dynamic leader boards.
- A 2-week long learning event, Learning Champions League (LCL) was organized to pique curiosity and motivate executives towards Learning initiatives CARE 2.0 (Customer Appreciation and Relationship Excellence) program was launched during the LCL to enhance the Customer Centricity competency of executives.
- Gamified simulations for providing future skills such as Agile way of Working and Design Thinking were conducted across the business and functions.
- Leaders talk series by Industry experts on topics such as "Next Generation of Robotic Surgeries" and "A peek into the Metaverse, NFT & more" to keep employees up to date with latest technology and trends
- A select set of young high potential employees underwent a year long development journey as a part of Young Talent Program (YTP). The program followed a blended approach of learning by combining Virtual Classes by XLRI, Peer Learning, MOOC Courses and mentoring.
- **Awards:-**

  Your Company was awarded the prestigious TISS Leap Vault CLO Award - Gold in the category of 'Virtual Learning Program'. Two awards were won in People First HR Excellence Awards 2021, Champion in "Leading Practices in Learning and Development" and Winner in "Leading Practices in Employee Engagement.

EMPLOYEE HEALTH & SAFETY

The end of the financial year 2020 was marked by the COVID-19 crisis which not only impacted livelihoods but also lives as well, and this crisis has extended for a period beyond a year. Your Company swung into action by forming an Emergency Response Team with the primary objective to focus on the health and safety of employees and their family members through interventions as appropriate which included measures such as "Work from Home" policy, access to qualified medical practitioners, setting up of a dedicated help-line to address physical as also emotional well-being. Your Company continues to monitor the well-being of its workforce and has taken several measures to engage with and provide timely support to the families that were affected by the pandemic.

Your Company is committed to build an Environment, Health and Safety culture and has formed an "Environment, Health and Safety council" at the apex level, chaired by a Director. The EHS council reviews all safety incidents both reportable as also near-miss events every month, and proactively identifies measures to strengthen safety practices across its manufacturing locations. Your Company has also rolled-out a comprehensive EHS policy reiterating its commitment to protect the Environment, Health and Safety of its employees and other stakeholders.

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 Executive Chairman 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 Executive Chairman / Chief Financial Officer as required under the SEBI Listing Regulations is attached as **Annexure G** to this Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Your Company's focus and environmental conservation is integral to its core business. The Company has constituted an Environment, Social and Governance Committee and has a Sustainability Policy in place, with actions aimed to protect environment in all its activities. Your Company remains committed and focused to address the impact of climate change across our value chain and to reduce carbon footprint across its operations and products throughout their life-cycle. Efforts have been undertaken to enhance your Company's environmentally positive footprint, expand socio-economic empowerment and demonstrate transparency in business conduct.

BUSINESS RESPONSIBILITY REPORT

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

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 ("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 29 Subsidiaries, 5 Associates and 2 Joint Ventures as on March 31, 2022. Hinduja Leyland Finance Limited ("HLFL") is a material subsidiary of the Company.

Hinduja Tech Limited (HTL) has ceased to be a wholly owned subsidiary of the Company, consequent to the exercise of stock options by HTL employees pursuant to 'Hinduja Tech Limited Employees Stock Option Plan 2017'. The Company currently holds 98.91% in the paid up equity share capital of HTL.

During the year under review, the Company has invested in the equity share capital of Gro Digital Platforms Limited, Ashley Alteams India Limited and Ashley Aviation Limited. During the year, the Company had transferred its Electric Vehicle business to Switch Mobility Automotive Limited, step-down subsidiary of the Company on slump sale basis. Further, the Company is in the process of transferring its E-MaaS business to Ohm Global Mobility Private Limited, fellow subsidiary, on slump sale basis. Both the business transfers are subject to terms and conditions as stipulated in the Business Transfer Agreement (BTA) entered into amongst the respective companies.

Further, during the year, the Company has converted the loan granted to Albonair GmbH as an equity investment.

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 of the Company at https://www.ashokleyland.com/in/en/investors/investor-information/performance-reports.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website and can be accessed at https://www.ashokleyland.com/backend/in/wp-content/uploads/sites/2/2021/01/PolicyonMaterialSubsidary.pdf#toolbar=0.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Vipin Sondhi, Managing Director and Chief Executive Officer of the Company stepped down from the Board with effect from December 31, 2021. The Board wishes to place on record its appreciation for the valuable contributions made by him to the Board and the Company during his tenure.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on November 12, 2021 had appointed Mr. Shom Ashok Hinduja (DIN: 07128441) as an Additional Director (Non-Executive, Non-Independent) of the Company which was approved by the Members through Postal Ballot on January 22, 2022.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on November 26, 2021 appointed Mr. Dheeraj G Hinduja (DIN: 00133410) as the Executive Chairman (Whole-time) of the Company, for a period of three years commencing from November 26, 2021 to November 25, 2024. His appointment and remuneration was approved by the Members through Postal Ballot on January 22, 2022. The Ministry of Corporate Affairs, New Delhi has since approved his appointment.

The Members at the AGM held on September 8, 2021 through special resolution had re-appointed Mr. Jose Maria Alapont as an Independent Director for the second term commencing from January 25, 2022 to January 24, 2027 who would attain the age of 75 years during his term.

During the year, Prof. Dr. Andreas H Biagosch, Independent Director of the Company stepped down as a Director from the Board of Hinduja Leyland Finance Limited, the Company's Material Subsidiary. Mr. Jean Brunol was appointed as an Independent Director on the Board of Hinduja Leyland Finance Limited as required under Regulation 24(1) of the SEBI Listing Regulations.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the 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. The terms and conditions of appointment of the Independent Directors are placed on the website of the Company https://www.ashokleyland.com/in/en/investors/investor-information/compliances-under-the-companies-act-2013.

Dr. C Bhaktavatsala Rao, Director retires by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, offers himself for re-appointment and 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.

At the Board meeting held on May 19, 2022, the Board revised the remuneration of Mr. Dheeraj G Hinduja, Executive Chairman with effect from April 1, 2022 which is subject to the approval of the Members at the forthcoming AGM and the resolution seeking approval of the Members has been incorporated in the Notice convening the AGM.

The Company has disclosed the Director's familiarization programme on its website at https://www.ashokleyland.com/backend/in/wp-content/uploads/sites/2/2022/04/Familiarisation-programme-for-Independent-Directors-2022.pdf#toolbar=0.

During the year, the Non-Executive Directors of the Company 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.

Pursuant to the provisions of Section 2(51) and 203 of the Act, the Key Managerial Personnel of the Company are Mr. Dheeraj G Hinduja, Executive Chairman, Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer and Mr. N. Ramanathan, Company Secretary.

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, 2022, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

b) for the financial year ended March 31, 2022, 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, 2022;

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

f) that proper systems 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 Auditors

Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E-300009) (PWC) Statutory Auditors of the Company retires at the conclusion of this Annual General Meeting and are eligible for re-appointment.

PWC have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for appointment.

The Audit Committee and the Board of Directors have recommended the re-appointment of the Statutory Auditors of the Company to hold office for a second term of five consecutive financial years, from the conclusion of this Seventy Third Annual General Meeting of the Company till the conclusion of the Seventy Eighth Annual General Meeting. The necessary resolution is being placed before the Members for approval.

The Statutory Auditor's report to the Members on the standalone and consolidated financial statement for the year ended March 31, 2022 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 under Section 143(12) of the Act.

Cost Records and Cost Auditors

Pursuant to the provisions of Section 148(3) of the Act, the Board of Directors had appointed 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, 2022.

The audit is in progress and the report will be filed with the Ministry of Corporate Affairs within the prescribed period. A proposal for ratification of remuneration of the Cost Auditors for the financial year 2021-22 is placed before the Members for ratification/ approval.

The cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act, as required is maintained by the Company.

Secretarial Auditors

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 12, 2021 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, 2022. The Company has received consent from Ms. B. Chandra to act as the Secretarial Auditors of the Company.

The Secretarial Audit report for the financial year ended March 31, 2022 in Form No.MR-3 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.

Hinduja Leyland Finance Limited, a material subsidiary of the Company has obtained Secretarial Audit Report from a Practising Company Secretary and it does not have any qualification or adverse remark. - **Annexure I**.

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

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with section 134(3) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website on https://www.ashokleyland.com/in/en/investors/investor-information/performance-reports.

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 on Sexual Harassment of Women to ensure a free and fair enquiry process on complaints received from the women employee about Sexual Harassment, also ensuring complete anonymity and confidentiality of information. During the year under review, there were no cases received/filed pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DISCLOSURE UNDER FOREIGN EXCHANGE MANAGEMENT ACT, 1999

With regard to the downstream investments in Indian Subsidiaries, the Company is in compliance with applicable Rules and Regulations of Foreign Exchange Management.

BOARD MEETINGS HELD DURING THE YEAR

During the year, eight 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 OF THE COMPANY

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 at the website on https://www.ashokleyland.com/backend/in/wp-content/uploads/sites/2/2021/07/Remuneration-Policy-1.pdf#toolbar=0.

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 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. 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 in https://www.ashokleyland.com/in/en/investors/investor-information/performance-reports.

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 annual 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 COMPANIES ACT, 2013

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 financial year 2021-22 are given in Note No. 3.8 of the Notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in ordinary course of business and on an arm's length basis were placed and approved by the Audit Committee. During the financial year 2021-22, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on related party transactions and the provisions of the Act and accordingly, the disclosure of related party transactions in Form AOC-2 is not applicable.

During the financial year 2021-22, 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, there were no Material Related Party Transactions as per SEBI Listing regulations.

The proposals with respect to Material Related Party Transactions with Switch Mobility Automotive Limited for the FY 2022-23 and with TVS Mobility Private Limited for the FY 2023-24 is placed before the Members at the forthcoming AGM for approval.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is available on the Company's website and can be accessed at https://www.ashokleyland.com/backend/in/wpcontent/uploads/sites/2/2021/01/PolicyonRelatedPartyTransactions.pdf#toolbar=0.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

During the year under review, the Company amended its CSR policy to align the same with the amendments to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The policy is available on the website of the Company at https://www.ashokleyland.com/backend/in/wp-content/uploads/sites/2/2021/07/CSR-Policy.pdf#toolbar=0.

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 J** of this report. During the year, the Company spent ₹ 16.93 Crores on CSR activities. Further, the Board has taken on record the certificate from the head of Financial Management that CSR spends of the Company for financial year 2021-22 have been utilized for the purpose and in the manner approved by the Board of Directors of the Company.

COMMITTEES

As at March 31, 2022, 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 and Fund Raising Committee.

The Board at its meeting held on June 24, 2021 decided to combine the Investment Committee and Technology Committee to form a Technology and Investment Committee.

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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism / Whistle Blower and the same was hosted on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee. 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, 2022.

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 except for one petition filed against the Company with NCLT, Chennai for an insignificant amount, which the Company had disputed and filed its reply to the petition with NCLT, Chennai. 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 recording. 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, 2017 framework and ISO 31000 standard that fosters a sound risk management culture to facilitate informed decision making.

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

An internal Risk Steering Committee, comprising of key members of Senior Leadership is responsible for the risk management process including risk identification, impact assessment, effective implementation of risk mitigation plans, and risk reporting.

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 continues to focus on Research and Development activities with specific reference to emission conformance, fuel efficiency, vehicular performance, innovation, futuristic technologies and enhancement of safety, aesthetics and ride comfort. Expenditure incurred by way of capital and revenue on these activities is shown separately.

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 shareholders. We look forward to the continued support of all the partners in our progress.

For and on behalf of the Board of Directors

Chennai
May 19, 2022

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) Conservation of Electrical Power:

- As a part of continuous contribution/effort towards sustainable operations, the Company has taken specific initiatives in energy conservation, usage of alternate/renewable resources, green energy, optimizing power consumption, etc.
- During the year, about 10.21 million electrical Units have been saved leading to significant savings in energy cost of about ₹66.41 million. This was achieved through high degree of awareness, Energy audits, Power quality audits and brainstorming. This is part of the Company's Mission Gemba initiative.
- The usage of wind energy was around 26% of the total power consumption at 64.44 million Units. Similarly, the usage of solar energy was 45% of the total consumption at 113.25 million units this year. Your Company's Green Energy initiative realized significant operating cost savings to the tune of ₹400.58 million, while also making a very impressive reduction in emissions by 1,45,706 tco2e.
- Group Captive Power continued to reap benefits and help to realize a saving of ₹7.73 million, consuming 7.73 million units in this FY which is 3% of total power consumption.
- Use of Indian Energy exchange (IEX) power through online bidding has resulted in savings of ₹23.48 million by purchasing 15.65 million units which is 6% of total power consumption.
- All manufacturing plants have optimized and maintained towards unity Power factor.
- Your Company had invested ₹29.87 million towards Energy Conservation initiatives during FY22.
- Your Company also saved 10.21 million kwh through energy saving projects, viz.
  - i. Maximum demand controlled by optimizer unit from 18,900 to 16,080 KVA at our foundry division, SPU.
  - ii. Achieving metal output in reduced power 2600 KW for 5 Ton and 1700 KW for 3 Tons by optimum operation of furnaces at our foundry division, ENU.
  - iii. Provision of Interlock for cooling tower fan motor w.r.t inlet temperature of furnace.
  - iv. Provision of thermocouple in cooling system so as to operate cooling tower fan w.r.t temperature.
  - v. Optimization of bed conveyors w.r.t oven temperature.
  - vi. Remote control for panel cooling system.
  - vii. Optimization of Decoring conveyor operation w.r.t casting cooling conveyor system.
  - viii. Provision of interlock between Hydraulic pump motor operation and machine panel operation.
  - ix. Interlocking new dust collector exhaust with machine panel operation to avoid idle running.
  - x. Use of energy efficient ceramic fiber pyro blocks in place of conventional refractory bricks in heat treatment furnaces.
  - xi. Optimum utilization and furnace by improving loading capacity there by reduction in power consumption per unit of production.
  - xii. Implementation of productivity improvement projects i.e. cycle time reduction thru. modifications in machine controls and utilizing advance technology tools.
  - xiii. Lighting modification (LEDfication) continued at renovated buildings & office areas.
  - xiv. Utilization of Flexible Contract Demand facility provided by State Electricity Board (MSEDCL) thus contract demand reduced based on production plan, actualized monitoring benefit of ₹ 26.30 lakhs in power cost till March 2022 at our Bhandara plant.
  - xv. Producing cargo B Pillar manual operation on mechanical press instead of hydraulic press.

  With all these continuous efforts and with an endeavor to conserve energy, your Company is moving towards becoming a carbon neutral and a "Cleaner & Greener" organization.

b) Towards wood-free Plant:

Usage of wood has been significantly reduced in vendor logistics from 10.17 Kg/HECU in FY21 to 8.69 kg/HECU in FY 22 (15 % reduction) enabled by reusable, recycled Steel Pallets.

c) Enhancing the greenery towards carbon neutrality:

Intense green drive to create more green spaces, emphasis has been to plant more trees in and around manufacturing units. We have created cumulative 28 multilayer dense forests using Miyawaki Method – a Japanese Way. About 56,179 trees were planted in 18585 Sqm (20 locations) in a phased manner so far in FY22. Total tree plantations inside and outside plants in FY22 is 49,812 Nos.

d) Water Conservation:

- Ashok Leyland is a 'Water Positive' Company certified by M/s DNV GL.
- Ground water Consumption has been minimized across all manufacturing units by implementing Rainwater Harvesting and other water efficiency improvements.
- Around 65-70% of the fresh water consumed is recovered through Sewage/Effluent Treatment/Zero Liquid Discharge. Plants put the treated water into use both for inland gardening as well as process applications.

- Facility created near buildings with filtering systems to capture roof top rain water and pumped to the overhead tank for use.

e) **Solar Energy**

Cumulative 10.14 MW roof top solar power across AL units was taken up with Hinduja Renewable Private Limited. Subsequent to the commissioning of 75 MWp solar park at Sivagangai District, in Tamil Nadu, during Jan 2021, 102 million units were generated for the period FY 22 which amounts to 41% of total power consumption including northern plants. This will ensure abatement of **83,640** tonnes of carbon emissions.

These arrangements reduced the overall cost of production and significant reduction in CO2 emission. Your Company stands at 80% of renewable energy in Tamil Nadu and 71% throughout India.

Awards

- AL won **15** prestigious **CII EHS Excellence awards** (9 maturity awards and 6 special category awards). The plant wise details:
    - Hosur 2-Gold award
    - Pantnagar, Hosur 1, Hosur 3, Foundry Sriperumbudur – **Silver award**
    - Ennore, Bhandara, Alwar, Foundry Ennore – **Bronze award**
- INFHRA Excellence in use of space planning & facility reservation system during & Post COVID -19 Crisis
- Hosur 1 team was honored with 'Merit Award in Symposium on Robotics and Automation -2021' under OEM category – 'Implementation of Industry 4.0 in H- Engine Assembly'
- Hosur 1 bagged the 1st Runner-up award in OHS management competition 2021-22 organised by NHRD Hosur chapter in association with HIA & JDISH Office
- Hosur 2 bagged the "Energy Efficient Unit'21" – awarded by CII, at 22nd Excellence In Energy Management
- Pantnagar - Awarded Best Energy efficient organization (1st runner-up) in CII 5th edition National Energy Efficiency Circle Competition
- Pantnagar: Platinum award in 1st CII Operational Sustainability Competition
- Pantnagar: Awarded Energy & Positive Carbon Foot Print in CII-SR EHS Excellence award 2021
- Bhandara won "First award" in State level "Energy conservation & management award" competition organized by Maharashtra Energy Development Agency (MEDA) for automobile and engineering sector.

The Company has made an investment of ₹ 14,00,000 (Rupees Fourteen Lakhs only) towards energy efficient compressor and cooling tower with VFD drive during FY 2021-22.

B. TECHNOLOGY ABSORPTION

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

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

Engines and Aggregates

(i) Development of new variants of suspension, Single Tyre & Dual Tyre Lift Axles, Front Axles and Gear Boxes.

(ii) Start development of Alternate Fuel Engines.

(iii) Development of Aggregates for Battery Electric Vehicles including Motors, Power Electronics.

Vehicles

(i) Development of ICV Range in CNG Fuel option.

(ii) Development of Electric LCV

(iii) BS VI range of Buses in CNG

(iv) New variants of M&HCV Trucks launched on Modular Platform.

2. **Benefits derived as a result of R&D**

(i) Launch of Products in multiple fuel option such as CNG etc.,

(ii) 24 Patents obtained in 2021-22

(iii) CEV IV Certification for Off-Highway application.

3. **Future Plan of Action**

(i) Extension of Modular Platform for Export markets and new domestic variants.

(ii) LNG Variants in Trucks & Buses.

(iii) Exploring other energy management strategies such as Fuel Cells.

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

₹ in Crores

Expenditure on R&D	2021-22	2020-21
Capital	9.74	9.23
Revenue (excluding depreciation)	377.69	407.51
Less: Amount received by R&D facilities	(8.52)	(7.17)
Total	**378.91**	**409.57**
Total R&D expenditure as a % of total turnover	**1.75**	**2.68**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings in foreign currency and expenditure incurred in foreign currency amounts to ₹ 1,440.25 Crores and ₹ 166.28 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, MD & CEO, WTD & CFO 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#	NA	NA
2.	Prof. Dr. Andreas H Biagosch	5.07	(8.54)
3.	Dr. Andrew C Palmer	4.33	4.23
4.	Dr. C Bhaktavatsala Rao	6.51	16.98
5.	Mr. Jean Brunol	5.91	16.66
6.	Mr. Jose Maria Alapont	6.55	22.43
7.	Ms. Manisha Girotra	4.78	6.05
8.	Mr. Sanjay K Asher	5.95	14.85
9.	Mr. Saugata Gupta	5.69	34.23
10.	Mr. Shom Ashok Hinduja@	NA	NA
11.	Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer	65.39	17.65
12.	Mr. Vipin Sondhi, Managing Director and Chief Executive Officer*	NA	NA
13.	N Ramanathan, Company Secretary	16.78	9.82

*Not applicable since Mr. Vipin Sondhi resigned as the MD & CEO with effect from December 31, 2021.

#Not applicable since Mr. Dheeraj G Hinduja was appointed as the Executive Chairman from November 26, 2021 and the remuneration drawn during the year represents sitting fee from April 1, 2021 to November 25, 2021 paid to him as a Non-Executive Director and the remuneration paid to him as the Executive Chairman during November 26, 2021 to March 31, 2022.

@Appointed as Director with effect from November 12, 2021 and hence not applicable.

b. **The median remuneration for the year 2021-22** is ₹ 876,523/-.

c. **The Percentage increase/(decrease) in the median remuneration of the employees in the financial year is** 14.99%

d. **The number of permanent employees on the rolls of Company:** 10,101

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 December 1, 2021 to March 31, 2022 was £50,961.

Mr. Dheeraj G Hinduja, Executive Chairman was in receipt of Commission amounting to Rs. 55.90 lakhs for the FY 2021-22 from Hinduja Leyland Finance Limited, a subsidiary of the Company.

h. Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer was in receipt of Commission amounting to ₹ 17.54 lakhs for FY 2021-22 from Hinduja Leyland Finance Limited, a subsidiary of the Company.

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. Corporate Governance at Ashok Leyland Limited is integral to its existence. Your Company believes that good Corporate Governance is a commitment to run the businesses in a legal, ethical and a transparent manner, a dedication that must emanate from the top and permeate throughout the organisation. Corporate Governance is inevitable, whereas good Corporate Governance is voluntary – beyond the four walls of law. Your Company is committed to good Corporate Governance, based on an effective independent Board, separation of supervisory role from the executive management and constitution of Committees to oversee critical areas a transparent disclosure policy to keep the stakeholders informed, thus, upholding the standards practically at every sphere. Your Company is in compliance with the requirements of the Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 ("SEBI Listing Regulations").

   Your Company considers that sound governance practices are crucial for its smooth and efficient operations as well as its ability to attract investments, balancing the interests of all its stakeholders and providing shareholder value. This has also helped your Company remaining relevant for over decades together. 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.

b. Your Company recognises the rights of all the stakeholders and encourages co-operation between the Company and the stakeholders to enable your participation in the corporate governance process.

c. 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 an equal, timely and cost efficient manner for access by users.

Board of Directors

i. As on March 31, 2022, the Board comprised of eleven Directors. Of the eleven directors, nine (81.82%) are Non-Executive Directors and six (54.55%) 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 Companies Act, 2013 ("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 public companies as on March 31, 2022 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 Companies Act, 2013 and the SEBI Listing Regulations. The Board at its meeting held on May 19, 2022 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 which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives 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 a 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 re-appointment of Mr. Jose Maria Alapont as an Independent Director for the second term commencing from January 25, 2022 to January 24, 2027 who would attain the age 75 years during his term was approved by the Members at the AGM held on September 8, 2021 by a special resolution in pursuance of Regulation 17(1A) of the SEBI Listing Regulations.

viii. 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 in other public companies as on March 31, 2022 is given herein below. Chairmanships/memberships of Board committees includes only Audit Committee and Stakeholders' Relationship Committee as per Regulation 26(1)(b) of the SEBI Listing Regulations.

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

Names of Director	Category	Number of Board meetings during the year 2021-22		Attendance at last AGM held on September 8, 2021	Number of directorships in other public 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	8	8	Yes	4	3	2	-	-
Prof. Dr. Andreas H Biagosch DIN: 06570499	Independent Non-Executive	8	7	Yes	-	-	4	-	-
Dr. Andrew C Palmer DIN: 02155231	Non-Independent Non-Executive	8	8	Yes	-	-	8	-	-
Mr. Jean Brunol DIN: 03044965	Independent Non-Executive	8	8	Yes	1	-	1	-	-
Mr. Jose Maria Alapont DIN: 07712699	Independent Non-Executive	8	8	Yes	-	-	3	-	-
Ms. Manisha Girotra DIN: 00774574	Independent Non-Executive	8	7	Yes	-	-	3	-	-
Mr. Sanjay K Asher DIN: 00008221	Independent Non-Executive	8	8	Yes	8	-	6	8	3
Mr. Saugata Gupta DIN: 05251806	Independent Non-Executive	8	7	Yes	3	-	7	2	1
Dr. C Bhaktavatsala Rao DIN: 00010175	Non-Independent Non-Executive	8	8	Yes[#]	-	-	3	-	-
Mr. Shom Ashok Hinduja[#] DIN: 07128441	Non- Independent Non-Executive	4[@]	4	NA	1	-	4	-	-
Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer DIN: 01746102	Non-Independent Executive	8	8	Yes	5	-	2	3	-

[$] 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.

*Appointed as the Executive Chairman with effect from November 26, 2021.

[#] Appointed as a Director with effect from November 12, 2021.

[@] Number of meetings held during his tenure as a Director.

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

Note: Mr. Vipin Sondhi, Managing Director & Chief Executive Officer resigned with effect from December 31, 2021.

Inter-se relationship between Directors - Nil

Directorships in other listed entities

Name of the Director	Name of the listed entity	Category
Mr. Sanjay K Asher	Deepak Nitrite Limited	Non-Executive Independent Director
	IndusInd Bank Limited	
	Meghmani Finechem Limited	
	Sonata Software Limited	
	Sudarshan Chemicals Industries Limited	
	Tribhovandas Bhimji Zaveri Limited	
Mr. Saugata Gupta	Marico Limited	Managing Director & Chief Executive Officer
Mr. Shom Ashok Hinduja	Gulf Oil Lubricants India Limited	Non-Executive Non-Independent Director

Changes in Board composition during the financial year 2021-22

During the FY 2021-22, the following were the changes in the Board composition:

Name	Nature of Change
Dr. Andrew C Palmer, Non-Executive Non-Independent Director	Resigned as an Independent Director with effect from July 1, 2021 and appointed as a Non-Executive Non-Independent Director with effect from July 7, 2021
Mr. Jose Maria Alapont Non-Executive Independent Director	Re-appointed as an Independent Director with effect from January 25, 2022
Mr. Shom Ashok Hinduja Non-Executive Non-Independent Director	Appointed as a Non-Executive Non-Independent Director with effect from November 12, 2021

Name	Nature of Change
Dr. C Bhaktavatsala Rao Non-Executive Non-Independent Director	Appointed as Non-Executive Non-Independent Director at the AGM held on September 8, 2021.
Mr. Dheeraj G Hinduja Executive Chairman	Appointed as Executive Chairman with effect from November 26, 2021.
Mr. Vipin Sondhi Managing Director & Chief Executive Officer	Resigned as Managing Director & Chief Executive Officer with effect from December 31, 2021.

ix. 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.

x. None of the Independent 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.

xi. None of the Directors/Key Management Personnel of the Company are related to each other.

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

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

June 24, 2021, July 29, 2021, August 12, 2021, September 21, 2021, November 12, 2021, November 26, 2021, February 11, 2022 and March 23, 2022. The necessary quorum was present for all the meetings.

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

xv. During the year 2021-22, 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.

xvi. 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.

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

xviii. 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.

xix. The details of Directors seeking re-appointment at the ensuing AGM is furnished in the Notice convening the meeting of the Members.

xx. During the year 2021-22, under AL ESOP 2018, the Nomination and Remuneration Committee ("NRC") has not granted any options to any of the employees of the Company.

xxi. As at March 31, 2022, Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer holds 20,620 shares in the Company. Further, Dr. C Bhaktavatsala Rao holds 1,690 shares in the Company as at March 31, 2022 in individual capacity and 6,550 shares as Karta of HUF. Other Non-Executive Directors do not hold any shares in the Company.

xxii. Your Company has not issued any convertible instruments.

xxiii. During the year, the Independent Directors of the Company without the presence of non-independent directors and management team met on June 18, 2021, August 11, 2021, November 12, 2021 and February 9, 2022. 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, Chairman of these meetings presented the views of the Independent Directors on matters relating to Board processes and views to the full Board.

xxiv. The details of familiarisation programme done for the financial year 2021-22 have been hosted in the website of the Company under the web link https://www.ashokleyland.com/in/en/investors/investor-information/familiarization-to-directors.

xxv. 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 Dr. Andrew C Palmer Prof. Dr. Andreas H Biagosch Mr. Jose Maria Alapont Mr. Jean Brunol Mr. Shom Ashok Hinduja
Financial Management, Risk management, Regulatory and Legal	Mr. Dheeraj G Hinduja Prof. Dr. Andreas H Biagosch Mr. Sanjay K Asher Ms. Manisha Girotra Mr. Gopal Mahadevan
Engineering, Technology, Operations	Dr. Andrew C Palmer Mr. Jose Maria Alapont Mr. Jean Brunol Prof. Dr. Andreas H Biagosch Mr. Shom Ashok Hinduja
Investment Appraisal, Financing, Capital Structures	Mr. Dheeraj G Hinduja Ms. Manisha Girotra Mr. Gopal Mahadevan Mr. Jose Maria Alapont
Management and Leadership, Marketing and Branding,	Mr. Dheeraj G Hinduja Dr. Andrew C Palmer Mr. Jose Maria Alapont Prof. Dr. Andreas H Biagosch Mr. Jean Brunol Mr. Saugata Gupta Mr. Gopal Mahadevan Dr. C Bhaktavatsala Rao Mr. Shom Ashok Hinduja

REPORT ON CORPORATE GOVERNANCE

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 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 https://www.ashokleyland.com/backend/in/wp-content/uploads/sites/2/2021/11/Whistle-Blower-Policy.pdf#toolbar=0

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 2021-22	
		Held	Attended
Mr. Sanjay K Asher, Chairman	Independent, Non-Executive	4	4
Mr. Jean Brunol	Independent, Non-Executive	4	4
Mr. Jose Maria Alapont	Independent, Non-Executive	4	4
Dr. C Bhaktavatsala Rao	Non-Independent, Non-Executive	4	4
Mr. Saugata Gupta*	Independent, Non-Executive	3	3

**Appointed as a Member with effect from June 24, 2021.*

Meetings

During the year, four 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: June 23, 2021, August 11, 2021, November 11, 2021 and February 10, 2022. 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 September 8, 2021. Other members of the Committee were also present at the meeting.

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

The representatives of the Auditors are invited to the Audit Committee meetings. 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.

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

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. As per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the NRC acts as the Compensation Committee for administration of AL ESOP 2016 and AL ESOP 2018.

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 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, 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 2021-22	
		Held	Attended
Ms. Manisha Girotra, Chairperson	Independent, Non-Executive	5	5
Mr. Jose Maria Alapont	Independent, Non-Executive	5	5
Mr. Saugata Gupta	Independent, Non-Executive	5	5
Mr. Dheeraj G Hinduja	Non Independent Non- Executive (till November 25, 2021)	3*	3

**Mr. Dheeraj G Hinduja ceased to be a Member of the NRC consequent to his appointment as the Executive Chairman with effect from November 26, 2021.*

Meetings

During the year, five NRC 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:

June 24, 2021, August 19, 2021, November 9, 2021, November 26, 2021 and February 9, 2022.

The necessary quorum was present for all the meetings.

The Chairperson of the NRC was present at the last AGM held on September 8, 2021. Other members of the Committee were also present at the meeting.

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

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

(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 website of the Company at https://www.ashokleyland.com/backend/in/wp-content/uploads/sites/2/2021/07/Remuneration-Policy-1.pdf#toolbar=0.

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:

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

(ii) Details of the remuneration for Non-Executive Directors for the year ended March 31, 2022

S. No.	Name of the Director	Sitting Fees (₹)	Commission (₹)	Total (₹)
1.	Mr. Dheeraj G Hinduja	950,000	-	950,000
2.	Prof. Dr. Andreas H Biagosch	940,000	3,503,000	4,443,000
3.	Dr. Andrew C Palmer	1,040,000	2,751,000	3,791,000
4.	Mr. Jean Brunol	1,590,000	3,586,000	5,176,000
5.	Mr. Jose Maria Alapont	1,890,000	3,854,000	5,744,000
6.	Ms. Manisha Girotra	1,150,000	3,038,000	4,188,000
7.	Mr. Sanjay K Asher	1,530,000	3,687,000	5,217,000
8.	Mr. Saugata Gupta	1,450,000	3,538,000	4,988,000
9.	Dr. C Bhaktavatsala Rao	1,290,000	4,418,000	5,708,000
10.	Mr. Shom Ashok Hinduja	460,000	1,625,000	2,085,000
	Total	**12,290,000**	**30,000,000**	**42,290,000**

1. Mr. Dheeraj G Hinduja was appointed as the Executive Chairman with effect from November 26, 2021 and hence the sitting fees paid relates to the period April 1, 2021 to November 25, 2021.
2. Mr. Shom Ashok Hinduja was appointed as a Director with effect from November 12, 2021.

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 / Executives and corporate action entitlements in their capacity as Members of the Company.

(iii) Details of Remuneration for the Executive Directors for the year ended March 31, 2022

(Amount in ₹)

S. No.	Particulars of Remuneration	Mr. Dheeraj G Hinduja, Executive Chairman (with effect from November 26, 2021)	Mr. Vipin Sondhi, Managing Director and Chief Executive Officer (till December 31, 2021)	Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer
1	Gross salary:			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,55,00,992	13,93,12,236	5,60,42,765
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	11,10,119	72,01,509	5,21,160
2	Employee Stock Option	-	-	-
3	Others - Retirement benefits	750,000	750,000	750,000
	Total	**1,73,61,111**	**147,263,745***	**57,313,925**

The above figures are on accrual basis.

*Includes leave encashment of ₹ 79,45,753/-.

The excess remuneration paid/payable is subject to ratification of the Members in the ensuing Annual General Meeting as required under Section 197 read with Schedule V of the Act.

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 Chairman and WTD & CFO 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 timelines 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.

The Board of Directors have constituted a Shares Committee to specifically approve requests relating to issuance of duplicate share certificates. Dr. C Bhaktavatsala Rao 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 meeting held during the financial year 2021-22	
		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	4

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:

June 24, 2021, August 12, 2021, November 12, 2021 and February 11, 2022. The necessary quorum was present for all the meetings.

Details of Complaints/other Correspondences

During the year, 20 complaint letters and 1,572 correspondences were received from investors (including 8 letters from the Stock Exchanges/SEBI SCORES/MCA/NCLT).

Subject Matter of Complaints	Pending as on March 31, 2021	Letters Received	Letters replied / completed	Pending as on March 31, 2022
Non-receipt of Certificate	-	1	1	-
Non-Receipt of Dividend/Interest	-	4	4	-
Non-Receipt of Annual Report	-	2	2	-
Loss of Share Certificates	-	1	1	-
Transmission of shares	-	3	3	-
Refund of shares from IEPF Authority	-	1	1	-
Others	-	8	8	-
Total	**-**	**20**	**20**	**-**

Subject Matter of Correspondence	Pending as on March 31, 2021	Letters Received	Letters replied / completed	Pending as on March 31, 2022
Regarding Share Certificate	-	82	81	1
Regarding Dividend/Interest	-	36	36	-
Regarding Annual Report		7	7	-
Issue of Duplicate Share Certificate	-	25	25	-
Loss of Share Certificates	-	128	123	5
Revalidation of Dividend/Interest	3	242	243	2
Issue of Duplicate Dividend/Interest	1	34	33	2
Procedure for Transmission	1	312	309	4
Change of Address/Bank Mandate	-	252	252	-
Other Correspondence	-	134	133	1
Unclaimed share certificate	-	13	13	-
Unclaimed Dividend	-	198	197	1
Claims regarding refund of Shares/Dividend from IEPF authority	3	109	111	1
Total	**8**	**1,572**	**1,563**	**17**

Shareholder queries shown pending as on March 31, 2022, have been subsequently resolved within the prescribed time limits. As on 31st March 2022, no share transfers were pending.

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 onetime and ongoing projects, transfer of funds to the unspent A/c, if any and monitors the implementation of the CSR Policy.

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

June 24, 2021 and August 19, 2021. The necessary quorum was present for all the meetings.

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

Name	Category	Number of meeting held during the financial year 2021-22	
		Held	Attended
Mr. Dheeraj G Hinduja, Chairman	Non- Independent, Executive	2	2
Ms. Manisha Girotra	Independent, Non-Executive	2	2
Mr. Sanjay K Asher	Independent, Non-Executive	2	2

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

The CSR Report as required under the Companies Act, 2013 for the year ended March 31, 2022 is attached as **Annexure J** to the Board's Report.

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) Two RMC meetings were held during the year on June 23, 2021 and November 8, 2021 and the gap between two meetings did not exceed one hundred and eighty days. The necessary quorum was present for the meeting.

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

Name	Category	Number of meeting held during the financial year 2021-22	
		Held	Attended
Prof. Dr. Andreas H Biagosch, Chairman	Independent, Non-Executive	2	1
Mr. Sanjay K Asher	Independent, Non-Executive	2	2
Mr. Gopal Mahadevan	Non-Independent, Executive	2	2
Mr. Saugata Gupta*	Independent, Non-Executive	1	1

*Mr. Saugata Gupta ceased to be a Member of the Committee with effect from June 24, 2021.

(iv) Mr. N Ramanathan, Company Secretary is the Secretary to the Committee.

(v) 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.

(vi) 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.

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

Other Committees

Technology and Investment Committee

The Board had constituted two Committees - Investment Committee (IC) and Technology Committee (TC) with terms of reference determined for each Committee. The IC considers and recommends new investment proposals, long term strategic goals in the areas of manufacturing and product strategy, etc. The TC considers and approves 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.

REPORT ON CORPORATE GOVERNANCE

The Board at its meeting held on June 24, 2021 decided to combine both these Committees to form a Technology and Investment Committee (T & IC). Pursuant to this, the Investment Committee was renamed as the Technology and Investment Committee and the terms of reference was also fixed.

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

Name of the Committee	Name	Category	Number of meeting held during the financial year 2021-22	
			Held	Attended
Technology Committee	Dr. Andrew C Palmer, Chairman	Non-Independent, Non-Executive	1	1
	Prof. Dr. Andreas H Biagosch	Independent, Non-Executive	1	0
	Mr. Jean Brunol	Independent, Non-Executive	1	1
	Mr. Jose Maria Alapont	Independent, Non-Executive	1	1
Technology and Investment Committee (includes the Investment Committee meeting held on June 23, 2021)	Mr. Dheeraj G Hinduja, Chairman	Non-Independent, Executive	4	4
	Prof. Dr. Andreas H Biagosch	Independent, Non-Executive	4	3
	Dr. Andrew C Palmer*	Non-Independent, Non-Executive	3	3
	Mr. Jean Brunol	Independent, Non-Executive	4	4
	Mr. Jose Maria Alapont	Independent, Non-Executive	4	4
	Mr. Shom Ashok Hinduja#	Non-Independent, Non-Executive	1	1

*Appointed as a Member with effect from June 24, 2021 and hence the meetings held represents those held since his appointment.

#Appointed as a Member with effect from February 11, 2022 and hence the meetings held represents those held since his appointment.

Prior to the re-organisation of these Committees, one meeting each of IC and TC were held on June 23, 2021. The meetings of T&IC were held on November 11, 2021, February 8, 2022 and March 2, 2022. The necessary quorum was present for all the meetings.

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

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 meeting held during the financial year 2021-22	
		Held	Attended
Mr. Jose Maria Alapont, Chairman	Independent, Non-Executive	3	3
Dr. C. Bhaktavatsala Rao	Non-Independent, Non-Executive	3	3
Mr. Jean Brunol	Independent, Non-Executive	3	3
Mr. Sanjay K Asher*	Independent, Non-Executive	2	1
Mr. Saugata Gupta	Independent, Non-Executive	3	3
Mr. Vipin Sondhi@	Managing Director & Chief Executive Officer	2	2
Mr. Shom Ashok Hinduja#	Non-Independent, Non-Executive	-	-

*Appointed as a Member with effect from August 12, 2021.

#Appointed as a Member with effect from February 11, 2022.

@Mr. Vipin Sondhi ceased to be a Member of this Committee consequent to his resignation as the Managing Director & Chief Executive Officer with effect from December 31, 2021.

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

Meetings

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

August 3, 2021, November 9, 2021 and February 8, 2022. 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, the Fund Raising Committee allotted 2,000 Secured, Listed, Rated, Redeemable, Non-Cumulative, Non-Convertible Debentures ('NCDs') having face value of ₹ 10,00,000/- (Rupees Ten lakhs only) each for cash aggregating to ₹ 200,00,00,000/- (Rupees Two Hundred Crores only) on private placement basis.

General Body Meetings

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

Year	Location	Date and Time	Special resolution passed
72nd AGM 2020-21	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	September 8, 2021 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.
71st AGM 2019-20	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	September 2, 2020 3.00 p.m.	(i) Re-appointment of Ms. Manisha Girotra as an Independent Director; (ii) Re-appointment of Dr. Andrew C Palmer as an Independent Director.
70th AGM 2018-19	Kamaraj Memorial Hall, 498-500, Anna Salai, Teynampet, Chennai – 600 006	July 31, 2019 2.45 p.m.	(i) Re-appointment of Prof. Dr. Andreas H Biagosch as an Independent Director; (ii) Re-appointment of Mr. Jean Brunol as an Independent Director; (iii) Re-appointment of Mr. Sanjay K Asher as an Independent Director.

No Extra-Ordinary General Meeting was held during the year 2021-22.

(ii) Postal Ballot:

During the year, approval of the shareholders in respect of appointments of Mr. Shom Ashok Hinduja as a Non-Executive Non-Independent Director and Mr. Dheeraj G Hinduja as the Executive Chairman was obtained by way of Ordinary Resolutions through Postal Ballot. 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 2021-22, 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 Company in terms of the SEBI Listing Regulations. The transactions entered into with the related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. There were no material related party transactions as per SEBI Listing Regulations during the year.

(ii) The policy on Related Party Transactions is hosted on the website of the Company under the web link https://www.ashokleyland.com/backend/in/wp-content/uploads/sites/2/2021/01/PolicyonRelatedPartyTransactions.pdf#toolbar=0.

(iii) 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 2019-20, 2020-21 and 2021-22 respectively: Nil

(iv) Whistle Blower Policy

Your Company has established a Vigil Mechanism/Whistle Blower Policy to enable stakeholders (including directors and employees) to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. It is affirmed that during the year no Director/Employee have been denied access to the Chairman of the Audit Committee.

The Whistle Blower Policy has been hosted on the Company's website under the web link: https://www.ashokleyland.com/backend/in/wp-content/uploads/sites/2/2021/11/Whistle-Blower-Policy.pdf#toolbar=0.

(v) 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.

(vi) During the year under review, there were no complaints received, pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(vii) 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, 2022 is given below (excluding reimbursement of expenses):

S.No.	Nature of Service	₹ in Crores
1	Statutory Audit Fees	1.30
2	Other services including certification and auditing group reporting pack	0.80
	Total	**2.10**

(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 under the web link: https://www.ashokleyland.com/backend/in/wp-content/uploads/sites/2/2021/01/Dividend_Distribution_Policy.pdf#toolbar=0.

(ix) Your Company has fulfilled the following discretionary 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.

c. Until November 25, 2021, the Company had separate persons to the post of Chairman and MD & CEO. Pursuant to the resignation of Mr. Vipin Sondhi, Managing Director, Mr. Dheeraj G Hinduja was appointed as Executive Chairman with effect from November 26, 2021.

(x) 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.

(xi) Disclosure of Accounting Treatment

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

(xii) 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. The remuneration paid/payable to the Non-Executive Directors exceeds the limits prescribed under the Act and hence is subject to shareholder's approval at the ensuing AGM.

(xiii) 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 Executive Chairman, on the compliance declarations received from the Board and Senior Management. The Code has been hosted on the Company's website under the web link https://www.ashokleyland.com/in/en/investors/investor-information/corporate-governance.

(xiv) 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, there has been due 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 the Company's website at https://www.ashokleyland.com/in/en/investors/investor-information/policies.

(xv) 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**.

(xvi) During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations. However, during the year under review, the Company has issued several Non-Convertible Debentures ('NCDs') on private placement basis, listed on Wholesale Debt market segment of National Stock Exchange of India Limited. Your Company affirms that there has been no deviation or variation in utilisation of proceeds of the listed NCDs of the Company.

(xvii) During the year under review, the Company had not granted any loans/advances in the nature of loans to firms/companies in which Directors are interested.

(xviii) 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 material transactions and arrangements entered into by the Unlisted subsidiary is placed before the Audit Committee on a periodical basis.

d) Your Company has a material unlisted subsidiary viz., Hinduja Leyland Finance Limited. Mr. Jean Brunol, Independent Director of the Company is a Director on the Board of the unlisted material subsidiary.

e) Your Company has not disposed off any shares in its material subsidiary resulting in reduction of its shareholding to less than fifty percent or cease control over the subsidiary. However, during the year, Hinduja Leyland Finance Limited has announced that the Board of Directors at their meeting held on March 16, 2022, have in-principle approved the proposal of merger of Hinduja Leyland Finance Limited into NXTDIGITAL Limited. The proposed merger will result in shareholders of Hinduja Leyland Finance Limited receiving shares of NXTDIGITAL Limited as per share valuation subject to all applicable regulatory and shareholder approvals.

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 website of the Company under the web link: https://www.ashokleyland.com/backend/in/wp-content/uploads/sites/2/2021/01/PolicyonMaterialSubsidary.pdf#toolbar=0

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 are made to institutional investors and analysts and the same is hosted on the website of the Company.

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.

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

General shareholder information

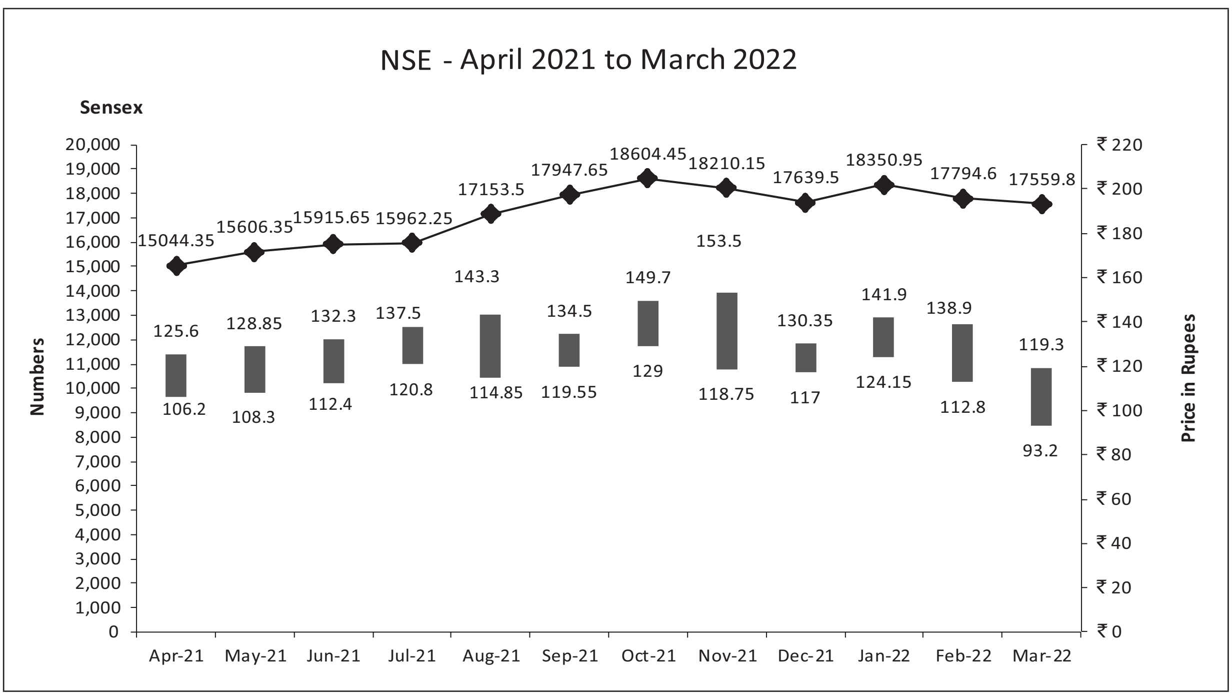
A	**Seventy Third Annual General Meeting**		
	Day, Date and Time	Friday, July 29, 2022 at 3.00 P.M. (IST)	
	Venue	Video Conferencing or other Audio Visual means	
B	**Financial Year**	April 1, 2021 to March 31, 2022	
C	Book closure dates	Saturday, July 16, 2022 to Friday, July 29, 2022 (both days inclusive)	
D	Date of payment of dividend	Within 30 days from the AGM date upon declaration of dividend by the Members at the ensuing AGM	
E	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, Bandra (E), Mumbai - 400 051	
F	Listing of Privately placed Secured Non-Convertible debentures	NSE	
	Listing Fee	Annual listing fee for the financial year 2021-22 has been paid to both the Stock Exchanges.	
	Depository Fee	Annual custody fee for the financial year 2021-22 has been paid to the Depositories.	
	Corporate Identity Number	L34101TN1948PLC000105	
G	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: INE208A07380 INE208A07398 INE208A07406	
	Details of Debenture Trustees	**Trustee 1:** SBICAP Trustee Company Limited Apeejay House 3, Dinshaw Wachha Road Churchgate, Mumbai - 400 020 Tel: +91 22 4302 5555/2020 Fax: +91 22 2204 0465 E-mail: corporate@sbicaptrustee.com Website: www.sbicaptrustee.com SEBI Reg. No.: IND000000536 **Trustee 2:** 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	

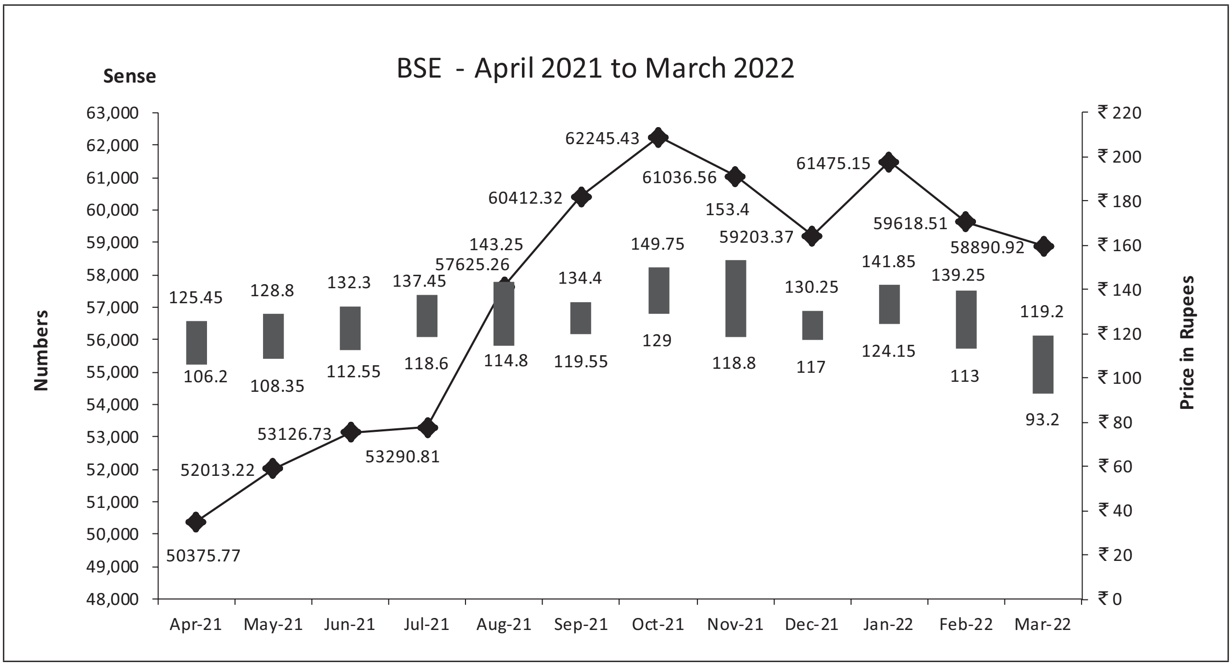
ANNEXURE C TO THE BOARD'S REPORT
REPORT ON CORPORATE GOVERNANCE

H. Stock Market Data

Month	NSE				BSE			
	Share Price		CNX Nifty Points		Share Price		Sensex Points	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
Apr-21	125.6	106.2	15044.35	14151.4	125.45	106.2	50375.77	47204.5
May-21	128.85	108.3	15606.35	14416.25	128.8	108.35	52013.22	48028.07
Jun-21	132.3	112.4	15915.65	15450.9	132.3	112.55	53126.73	51450.58
Jul-21	137.5	120.8	15962.25	15513.45	137.45	118.6	53290.81	51802.73
Aug-21	143.3	114.85	17153.5	15834.65	143.25	114.8	57625.26	52804.08
Sep-21	134.5	119.55	17947.65	17055.05	134.4	119.55	60412.32	57263.9
Oct-21	149.7	129	18604.45	17452.9	149.75	129	62245.43	58551.14
Nov-21	153.5	118.75	18210.15	16782.4	153.4	118.8	61036.56	56382.93
Dec-21	130.35	117	17639.5	16410.2	130.25	117	59203.37	55132.68
Jan-22	141.9	124.15	18350.95	16836.8	141.85	124.15	61475.15	56409.63
Feb-22	138.9	112.8	17794.6	16203.25	139.25	113	59618.51	54383.2
Mar-22	119.3	93.2	17559.8	15671.45	119.2	93.2	58890.92	52260.82

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





J. 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: csdstd@integratedindia.in deals with all aspects of investor servicing relating to shares in both physical and demat form.

K. Share Transfer System

The Board has authorised the WTD & CFO to approve all routine transfers, transmissions, etc., of shares. Such approval is being given at frequent intervals (39 times during 2021-22). Transfers, transmissions, etc., were generally approved within fifteen days. Requests for dematerialisation were confirmed within fifteen 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.

L. 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, 2021	**456**	**4,08,541**
Number of shareholders who approached the Company for transfer of shares from Unclaimed Shares Suspense Account during the year	12	8,640
Number of shareholders to whom shares were transferred from Unclaimed Shares Suspense Account during the year	12	8,640
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	-	-
Aggregate number of shareholders and the outstanding shares in the Unclaimed Shares Suspense Account lying as on March 31, 2022	**444**	**3,99,901**

* The voting rights on the shares outstanding in the suspense account as on March 31, 2022 shall remain frozen till the rightful owner of such shares claim the shares.

M. 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'). The voting rights on the shares outstanding in the IEPF Authority as on March 31, 2022 remains frozen till the rightful owner of such shares claims the shares.

N. Instruction to Members

As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, Members holding shares in physical mode are requested to update their KYC details viz., (i) PAN (ii) Nomination (iii) Updation of complete postal address, Mobile No. and E-mail ID (iv) Updation of Bank details (v) Updation of Specimen signature of shareholder.

Members holding shares in physical mode are required to furnish all above details immediately, failing which all such physical folios shall stand frozen with effect from April 1, 2023. Members may get in touch with the Integrated Registry Management Services Private Limited, Registrar and Share Transfer Agent for further information.

O. (i) Distribution of Shareholding as on March 31, 2022

S. No.	Category of Shares	Holders	% to holders	Shares	% to capital
1	Up to 50	693,448	54.41	11,721,456	0.40
2	51-100	194,083	15.23	16,981,439	0.58
3	101-200	139,743	10.96	22,943,929	0.78
4	201-500	128,075	10.05	45,410,386	1.55
5	501-1000	60,719	4.76	48,458,163	1.65
6	1001-2000	30,771	2.41	47,335,825	1.61
7	2001-5000	19,192	1.51	62,569,730	2.13
8	5001-10000	5,358	0.42	38,846,622	1.32
9	10001 and above	3,196	0.25	2,641,259,726	89.98
	Total	**12,74,585**	**100**	**2,935,527,276**	**100**

(ii) Shareholding pattern as on March 31, 2022

S. No.	Category	No. of Holders	Shares	%
1	Promoter/ Promoter Group	5	1,500,660,261	51.12
2	Resident Individuals/ Association of Persons	1,259,484	341,650,757	11.64
3	IEPF Authority/Unclaimed Securities Suspense Account	2	5,998,657	0.20
4	Clearing Members	263	4,076,038	0.14
5	Financial Institutions/ Insurance Co./State Govt./ Govt. Companies	96	189,577,127	6.46
6	Foreign Institutional Investors	3	7,500	0.00
7	Foreign Portfolio Investors	243	391,744,678	13.34
8	NRI/OCB/Corporate Bodies - Foreign/Foreign National	12,741	13,383,382	0.46
9	Corporate Bodies/Limited Liability Partnership	1,494	11,529,594	0.39
10	Mutual Funds	193	449,367,776	15.31
11	Trusts	35	1,632,617	0.06
12	Banks	20	138,044	0.00
13	Alternate Investment Fund	5	1,802,845	0.06
14	Others - GDR A/C	1	23,958,000	0.82
	Grand Total	**1,274,585**	**2,935,527,276**	**100**

(iv) Details of Shares

Type		Number of Shares	% to paid up capital	Number of Holders
Physical		11,612,316	0.40	8,992
Electronic	- NSDL	2,743,109,516	93.44	468,046
	- CDSL	180,805,444	6.16	797,547
Total		**2,935,527,276**	**100**	**1,274,585**

P. 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 99.60% of the Company's equity share capital are dematerialised as on March 31, 2022. 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 in line with the SEBI circular dated January 25, 2022, issuance of shares in case of transmission and requests for duplicate share certificates can only be undertaken in dematerialised mode.

Members holding shares in physical mode are requested to furnish their KYC details viz., PAN, Nomination, postal address, Mobile No., E-mail address, bank details, Specimen signature etc. immediately failing which all such physical folios shall stand frozen with effect from April 1, 2023.

Q. 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

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

No instrument is outstanding for conversion as on March 31, 2022 having an impact on equity.

S. 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.

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

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

2. 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 ₹ 950 Crores.

   b) Exposure of the listed entity to various commodities:

Commodity Name	Exposure in ₹ towards the particular commodity in FY 2021-22	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	₹ 950 Crores	1.33 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.

U. 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: csdstd@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 csdstd@integratedindia.in
Website Address	www.ashokleyland.com	
Email ID of Investor of Grievances Section	secretarial@ashokleyland.com	
Name of the Compliance Officer	N Ramanathan, Company Secretary	

V. Credit Ratings

Name of the agency	**Type of instrument**	**Amount ₹ Crores**	**Rating Action**
ICRA	Cash Credit / WCDL	2,000.00	Reaffirmed [ICRA] AA (Negative) / [ICRA] A1+
	Term Loans	1,450.00	Reaffirmed [ICRA] AA (Negative)
	Unallocated	200.00	Reaffirmed [ICRA] AA (Negative) / [ICRA] A1+
	Non-fund based limits	1,200.00	Reaffirmed [ICRA] AA (Negative) / [ICRA] A1+
	NCDs	850.00	Assigned / Reaffirmed [ICRA] AA (Negative)
	Commercial Papers	2,000.00	Reaffirmed [ICRA] A1+
CARE	Term Loan – Long Term	500.00	Reaffirmed [CARE] AA (Negative)
	NCDs	600.00	Reaffirmed [CARE] AA (Negative)
	Fund-based/Non-fund based - LT/ST	500.00	Reaffirmed [CARE] AA (Negative) / [CARE] A1+
	Fund based – LT/ST working capital limits	2,000.00	Reaffirmed [CARE] AA (Negative) / [CARE] A1+
	Commercial Paper – (Standalone)	2,000.00	Reaffirmed [CARE] A1+
	Non-fund based – LT/ST-BG/LC	1,200.00	Reaffirmed [CARE] AA (Negative) / [CARE] A1+

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, 2022, 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 19, 2022
Chennai

Dheeraj G Hinduja
Executive Chairman

ANNEXURE D TO THE BOARD'S REPORT

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

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**, (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) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) to the 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 March 31, 2022. 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 under the SEBI (LODR) Regulations, 2015 for the financial year ended 31st March, 2022.

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: F004775D000332190

Place: CHENNAI
Date : 19th May 2022

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 2022 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. Andreas Hubertus Biagosch	Non-Executive - Independent Director	10/05/2013
5.	00774574	Ms. Manisha Girotra	Non-Executive - Independent Director	08/09/2014
6.	02155231	Dr.Andrew Charles Palmer	Non-Executive - Non Independent Director	04/11/2015
7.	07712699	Mr.Jose Maria Alapont	Non-Executive - Independent Director	25/01/2017
8.	01746102	Mr. Gopal Mahadevan	Whole Time Director	24/05/2019
9.	05251806	Mr. Saugata Gupta	Non-Executive - Independent Director	08/11/2019
10.	00010175	Dr. Canakapalli Bhaktavatasala Rao	Non-Executive –Non Independent Director	12/08/2020
11.	07128441	Mr. Shom Ashok Hinduja	Non-Executive - Non Independent Director	12/11/2021

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 : 19th May 2022

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

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
PR.NO.657/2020
UIN: S2003TN063400
UDIN: F004775D000332212

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

A. MARKET TRENDS

Economy - India

According to the second advance estimates released by the National Statistical Office (NSO), real GDP is expected to rise by 8.9% in 2021-22. Private consumption and fixed investment – key drivers of domestic demand – however, remain subdued, with these two components being only 1.2% and 2.6% respectively, above their pre-pandemic levels. On the supply side, contact-intensive services still trail below the 2019-20 level. Nevertheless, the Indian economy is steadily reviving from its pandemic induced contraction.

During 2021-22, weakness in economic activity resurfaced in Q3 and got exacerbated by the emergence of the Omicron variant in Jan'22. However, the less intensity of Omicron set a gradual turnaround from Feb'22 onwards. Several high frequency indicators – railway freight; GST collections; toll collections; electricity demand; fuel consumption; and imports of capital goods posted robust year-on-year expansion during Feb-Mar'22. Business confidence is in optimistic territory and supportive of revival in economic activity. Manufacturing and Services PMI's remain in the zone of expansion. Going forward, robust Rabi output should support recovery in rural demand, while a pick-up in contact-intensive services should help in further strengthening urban demand. Investment activity may gain traction with improving business confidence, pick up in bank credit, continuing support from government capex and congenial financial conditions. Capacity utilization in the manufacturing sector recovered further to 72.4% in Q3 FY22 from 68.3% in the previous quarter, surpassing the pre-pandemic level of 69.9% in Q4 FY20.

As the horizon was brightening up, escalating geopolitical tensions between Russia and Ukraine have cast a shadow on the economic outlook. Although India's direct trade exposure to countries at the epicenter of the conflict is limited, the war could potentially impede the economic recovery through elevated commodity prices and global spillover channels. Further, financial market volatility induced by monetary policy normalization in advanced economies, renewed COVID-19 infections in some major countries with augmented supply-side disruptions and protracted shortages of critical inputs, such as semi-conductors and chips, pose downside risks to the outlook. Taking all these factors into consideration, RBI has forecasted India's real GDP growth for FY23 at 7.2%, assuming crude oil (Indian basket) at US$ 100 per barrel. (Source: RBI MPC, Apr 2022)

Economy – World

Economic impact due to the Russia – Ukraine conflict will contribute to a significant slowdown in global growth in 2022. A large contraction for these countries is more likely, along with worldwide spillovers through commodity markets, trade, and financial channels. Even as the war reduces growth, it will add to inflation. Fuel and food prices have increased rapidly, in developed countries and even so with vulnerable populations - particularly in low-income countries most affected. Elevated inflation will complicate the trade-offs central banks face between containing price pressures and safeguarding growth. Interest rates are expected to rise as central banks tighten policy in developed economies, exerting pressure on emerging market and developing economies. Although many parts of the world appear to be moving past the acute phase of the COVID-19 crisis, a close watch is required on the new variants that are emerging in some parts of the world. Moreover, recent lockdowns in key manufacturing and trade hubs in China will likely compound supply disruptions elsewhere.

Global growth is projected to slow from an estimated 6.1% in CY2021 to 3.6% in CY2022 and CY2023. For CY2022, inflation is projected at 5.7% in advanced economies and 8.7% in emerging market and developing economies. Although a gradual resolution of supply-demand imbalances and a modest pickup in labor supply are expected in the baseline, easing price inflation eventually, uncertainty again surrounds the forecast. (Source: WEO, Apr 2022)

Commercial Vehicle Market

The Commercial vehicle market (MHCV and LCV) in India posted a growth of 26.0% YoY in total industry volumes (TIV), which was led by 49.7% growth in M&HCV segment & 16.7% growth in LCV segments.

FY21-22 started with the second wave of COVID-19, which was associated with unexpectedly higher rates of morbidity and mortality relative to the first wave. The break out of mutant strains that render the virus highly transmissible across both urban and rural areas led to fresh restrictions on activity being imposed across a large swathe of the country. Yet unlike in the first wave, when the economy came to an abrupt standstill under a nation-wide lockdown, the impact on economic activity was relatively contained in the second wave, with restrictions on mobility being regionalized and nuanced. Urban demand, as reflected in some high frequency indicators – electricity consumption; railway freight traffic; port cargo; steel consumption; cement production; e-way bills; and toll collections – recorded sequential moderation during April-May 2021 as manufacturing and services activity weakened due to restrictions/lockdowns imposed by most states. Mobility indicators declined during April-May, but they remain above the levels seen during the first wave last year. As an alternate fuel, CNG penetration pan India increased at a faster pace as diesel prices continued to increase. CNG network saw a rapid increase. In Q1FY22, MHCV Demand was higher compared to Q1FY21 but dropped compared to Q4FY21 because of COVID-19 restrictions and supply constraints.

In Q2FY22, with the worst of the second wave behind and substantial pick-up in COVID-19 vaccination gave greater confidence to open up and normalize economic activity, and recovery of the Indian economy gained traction supported by record kharif food grains production, government's focus on capital expenditure, benign monetary and financial conditions, and buoyant external demand. Demand for MHCV trucks and LCVs started to increase month on month with demand recovery in Q2FY22 was led by MHCV Trucks. Commodity price pressures of steel and aluminum continued and global shortages of semi-conductor chips remained a concern.

In Q3FY22, consumption demand improved, with pent-up demand getting reinforced by the festive season. Rural demand also exhibited resilience and farm employment picked up with the robust performance of agriculture and allied activities, supported by a strong start to rabi sowing, continuing direct transfers under the PM-Kisan scheme and extension of free foodgrains under the Pradhan Mantri Garib Kalyan Anna Yojana till Mar'22. Urban demand also showed signs of strengthening, with spending on travel and tourism surging. Other indicators like railway freight traffic, port cargo, GST receipts, toll collections, petroleum consumption and air passenger traffic all picked up. Government consumption also picked up, providing support to aggregate demand. Overall demand for MHCVs continued to rise while & LCVs lagged.

By the end of Q4FY22, weakness in economic activity resurfaced and got exacerbated by the emergence of the Omicron variant in Jan'22. A gradual turnaround was noticed from Feb'22 onwards. However, overall demand for MHCVs & LCVs continued to rise due to less severity of omicron variant.

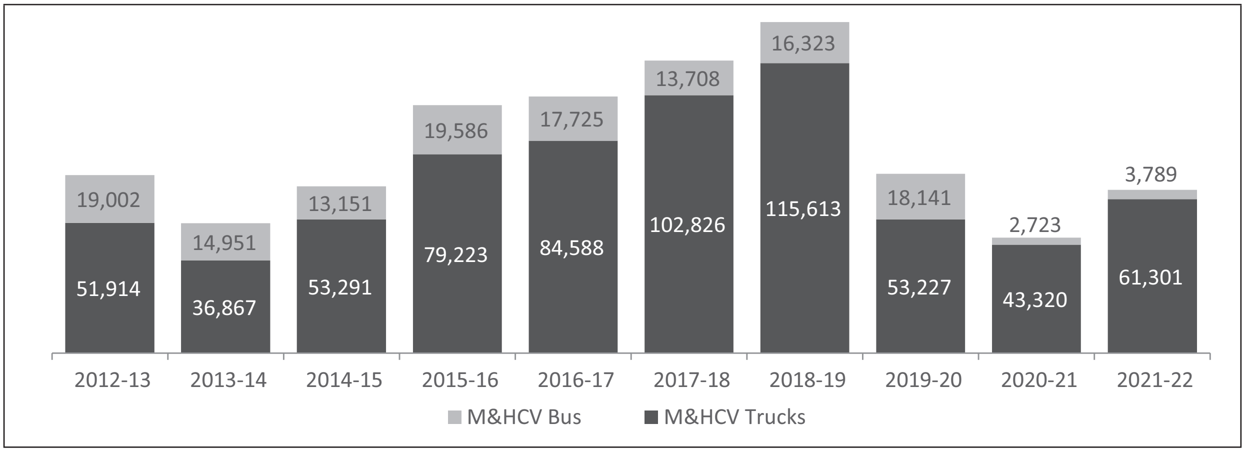
The LCV Trucks (0-7.5T Segment) grew by 15.2% while the LCV Bus segment also grew by 65.1% on a low base. CV exports also grew by 83.4% over last year driven by similar increase in both M&HCV Trucks & Buses and LCV Trucks & Buses.

Segment	**Domestic**			**Exports**		
	2021-22	**2020-21**	**Change %**	**2021-22**	**2020-21**	**Change %**
M&HCV Buses	11,804	7,322	61.2%	6,499	4,040	60.9%
M&HCV Trucks	228,773	153,366	49.2%	25,682	13,508	90.1%
M&HCV Total	240,577	160,688	49.7%	32,181	17,548	83.4%
LCV Buses	19,957	12,088	65.1%	1,785	1,641	8.8%
LCV Trucks	456,032	395,783	15.2%	58,331	31,145	87.3%
LCV Total	475,989	407,871	16.7%	60,116	32,786	83.4%
CV Total	716,566	568,559	26.0%	92,297	50,334	83.4%

Source: SIAM Flash Report March 2022

B. ASHOK LEYLAND – THE YEAR (2021-22) IN BRIEF

Your Company sold 65,090 M&HCVs in the domestic market (3,789 M&HCV Buses and 61,301 M&HCV Trucks including Defence vehicles), registering a growth of 41.5% over the previous year. LCV with sales of 52,222 vehicles grew by 11.9% over the previous year. Your Company was able to achieve market share of 27.1% in M&HCV Bus and Truck segment while total industry volume grew by 49.7%.



M&HCV Truck segment

Industry sales of commercial vehicles saw a recovery in FY22 with the resumption of economic activity supported by immediate Government interventions and infrastructure growth. Your Company's sale in M&HCV Trucks segment (excluding Defence vehicles) in India grew by 43.5% to 60,947 units in FY22, as compared to 42,483 units in FY21. Your Company enhanced its product portfolio with CNG models in ICV trucks segment to cater to the boost in demand for alternate fuels in ecommerce and last-mile delivery applications. Further, product enhancements like High Horsepower Mining Tipper and Surface Tipper, helped your Company to strengthen its presence in Construction and Mining industry. Your Company pioneered in launching 8x2 Multi-Axle Truck with Dual Tyre Lift Axle and 6x2 Multi-Axle Truck with Single Tyre Lift Axle, which were well received during the year.

M&HCV Bus segment

Industry sales of M&HCV Bus (excluding Defence vehicles) segment witnessed a growth of 33.0% in FY22 compared to FY21, augmented by the replenishment of fleets by State Transport Undertakings. Your Company's sale in M&HCV Bus segment (excluding Defence vehicles) in India grew by 10.8% to 3,018 units in FY22, as compared to 2,723 units in FY21.

International Operations

In pursuit of AL's vision, your Company focused on expanding its global footprint across retail markets in Africa, and continued strengthening its network in SAARC and GCC countries. Your Company observed overall I/O sales growth of 37.0% over FY21. Penetration in LCV portfolio across geographies was achieved while retaining market leadership position in MDV bus segment in SAARC and GCC countries. The new products launched by your Company in the last financial year, Falcon Super(12m Bus) and Gazl (7m Bus) have gained customer acceptance and helped to improve the market presence. After successful completion of the trials, Phoenix was launched in FY22 with flag off of 35 units to Uganda. Your Company continued to focus on geographic expansion and added new countries to the network in Africa and GCC.

LCV segment

In FY22, new product 'Bada Dost' has helped your Company reach highest ever sales of 52,222 nos since inception. Your Company grew Market share in the SCV category despite COVID challenges and semiconductor shortages. Your Company is on track to launch three new products in FY23 for the domestic market. Despite the pandemic situation, your Company continues to deliver best-in-industry SSI/CSI, lowest defect product, low warranty cost and high service retention through its network of 547 outlets, achieving a service market share of 70.0%. Bada Dost was awarded CV of Year and Pick up of the Year 2021-22 at the Global Awards for Retail Excellence presented by ET Now and World Leadership Congress. The Bada Dost also won the CII Design Excellence award 2021.

Power Solutions Business

Your Company has achieved robust growth in Power Solutions Business aided by new business development with corporates/ equipment manufacturers. Our key foundation initiatives of product, applications & customer-base expansion and our leverage on current as well as new engine platforms has favored new business opportunities. Overall, your Company has achieved sales of 20,944 engines notwithstanding the inadequate availability of semi-conductor chips for the new range of BS CEV IV engines.

Defence

In FY22, your Company supplied all time high 1,125 units of completely built-up units (CBUs) including bullet proof vehicles and 600 kits. Your Company is proud to complete the execution of 711 Ambulances in record time under emergency procurement of Indian Army. Further, your Company is expanding its portfolio in Light Vehicles, new applications on Super Stallion platform and products specific to export markets.

Aftermarket

Your Company is actively focused on serving the needs of customers throughout the product life-cycle through its Aftermarket offerings. The Aftermarket business grew by 30% over last year and added to the overall profitability of the Company. Your Company ensured continuous availability of its extended range of parts during disruption of global supply chain, through early interventions at Spare Parts Warehouses, Supplier partners and Channel Partners. Targeted engagement with suppliers and logistics partners ensured that margins of Spare Parts Business is sustained, despite the commodity price increase. Aftermarket channel saw record participation from independent garages and ended the year with highest ever number of exclusive retail parts store for sixth year in a row. LeyKart, the online fulfillment mobile app for Ashok Leyland Genuine Spares, delivered growth in order fulfillment and user-participation for the third year in a row.

Service function continues to improve penetration in service products. Service revenue of your Company grew by 15.0% over last year, crossing pre-COVID levels. Automation and Digitalization initiatives enabled the service function to reduce cycle times of key internal operations and delivered substantial operating costs reduction. Significant focus was accorded in building capability of Channel partners by way of exhaustive and multi-modal training curriculum. AL Care app continues to serve as a one-stop solution to address service needs of our customers.

Network

Your Company continued to expand its primary network to enhance accessibility of service across cities in India. Your Company added 71 new outlets during the year, increasing the total count to 907 primary touch-points. To keep up with the rising commercial vehicle operations in Northern and Eastern regions of India, your Company opened more than half of the new outlets in these regions.

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 FY22, the Foundry division achieved the production of 75,222 MT (increase of 20.0% over last year) and sales of 68,270 MT (increase of 12.0% over last year).

Overall Summary

In summary, during FY22, your Company recorded total vehicle sales of 117,312 units in the domestic market and 11,014 units in the export market. Your Company worked as one team to overcome the challenges and ramp up the operations with single-minded focus and agility to fulfill the demand. Your Company has set an ambitious mission of transformative performance, across all our business segments, over the coming 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 optimistic about growth prospects for FY23 given favorable growth drivers despite fuel inflation, possibility of new Covid variants, chip shortages and geopolitical issues. The demand for MHCV Trucks is expected to increase, driven by pickup in fleet utilization levels and supported by replacement demand in-line with recovery in economic activity and government spending on infrastructure. In the MHCV Bus segment, growth is expected to make a comeback by the re-opening of schools and offices and the gradual return to normalcy after the pandemic and an uptick in tender orders by STUs. In ICVs growth is expected to make a comeback by the e-commerce sector with a progressive shift to more CNG-powered vehicles. The announcements in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure are expected to augment growth and crowd in private investment through large multiplier effects. 100 Multimodal Cargo Terminals spread over 3 years from FY23, announced in budget under PM Gatishakti for connectivity between mass urban transport and railway stations should also bolster demand for the overall sector. The infrastructure segment is expected to be robust through execution of projects in the National Infrastructure pipeline. This will have a positive impact on the sales of commercial vehicles, especially the tipper and haulage segments. However, the ongoing geopolitical tensions viz., Russia-Ukraine situation could increase commodity prices, crude oil prices, and exacerbate supply chain issues. The shortage of semiconductors is likely to be a challenge for a few more months.

D. RISK MANAGEMENT

During the year, the overall CV industry experienced a growth in Total Industrial Volume and sales primarily on account of rebound from the pandemic primarily spurred by the positive outlays by the government on capital and infrastructure investments, commencement of regular economic activities, lifting of COVID related lockdowns and consequent increased movement of people, goods & services, etc.

Your Company also had an uptick in sales volumes in both M&HCV and LCV segments. Your Company focused on proactively managing the external and internal risks through appropriate business strategies addressing supply chain issues, employee health, safety and well-being, dealer and supplier sustainability, launch of new products, enhanced productivity and cost improvement programs. These initiatives have supported your Company to be agile and resilient to the ever-changing business environment while also generating value for all its stakeholders.

Your Company's well-established Enterprise Risk Management (ERM) framework has proactively supported in identifying the risks and opportunities, and addressing them through measurable mitigation plans which are reviewed and monitored on a periodical basis. The ERM process is also integrated with the strategic business planning process of your Company. Key internal and external risks, inherent to the strategy for each of the business verticals are identified and the critical assumptions underlying the strategy are addressed.

An internal Risk Steering Committee, comprising of key members of Senior Leadership is responsible for the risk management process including risk identification, impact assessment, effective implementation of risk mitigation plans, and risk reporting. Significant risks identified and associated risk response plans are tabled before the Risk Management Committee ("RMC") of the Board.

The Company's ERM process is overseen by the Board of Directors, through the RMC of the Board which is responsible to ensure that the Company has an appropriate and effective ERM framework. The RMC apprises the Board on the effectiveness of the ERM framework, significant enterprise risks identified and the risk response mechanisms implemented by the Company.

The efforts of the Company in ensuring effective Risk Management, during the year, was recognized with an award in the category of "Masters of Risk – Automotive OEM" by ICICI Lombard and CNBC TV18 – India Risk Management Awards.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

b. Adherence to Accounting standards and compliance to applicable statutes, Company policies and procedures;

c. Effective usage of resources and safeguarding of assets.

Your Company has complied with the specific requirements as 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 with requirements of the Act in relation to the Directors' Responsibility Statement.

Your Company's Internal control framework 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 which supports in evaluating the design and operating effectiveness of internal controls in a consistent manner.

Further, your Company, through its own independent and multi-disciplinary Internal Audit function with the support of third party service providers 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 vis-à-vis the established design of the Internal control, as also the efficiency and effectiveness of operations.

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

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.

F. INFORMATION SECURITY

At Ashok Leyland, we safeguard our vital Information assets from threats, both internal and external, through the adoption of best practices in Information Security. This has enabled your Company minimize risks from cyber and other information security threats. In the backdrop of ever-increasing cyber threat landscape, your Company's management has focused on ensuring an adequate and effective Information Security governance across the organization.

Your Company has implemented Information Security best practices through the adoption of ISO 27001 Information Security Standard and by building a robust Information Security culture across the organization. The Information Security governance is overseen by an independent function responsible for the planning, review and improvement of the Information Security processes to protect the Confidentiality, Integrity, and Availability of information assets.

During the year, your Company has also undertaken adequate precautions and implemented relevant Information Security safeguards to ensure security of Information assets while facilitating workplace flexibility for the workforce due to the pandemic.

G. FINANCIAL REVIEW

Summary of Profit and Loss account is given below:

₹ Crores

Particulars	**2021-22**	**2020-21**	**Inc/(Dec) %**
Sales	21,688.29	15,301.45	41.7
Other income	76.13	119.50	(36.3)
Total	**21,764.42**	**15,420.95**	**41.1**
Expenditure			
Material Cost	16,761.07	11,403.31	47.0
Employee benefits expenses	1,694.60	1,583.89	7.0
Finance cost	301.11	306.79	(1.9)
Depreciation and amortization	752.76	747.71	0.7
Other expenses	2,238.10	1,779.11	25.8
Total	**21,747.64**	**15,820.81**	**37.5**
Profit/(Loss) before exceptional items	**16.78**	**(399.86)**	**104.2**
Exceptional items	510.83	(12.05)	4339.3
Profit/(Loss) before tax	**527.61**	**(411.91)**	**228.1**
Tax expense - Credit	(14.22)	(98.23)	85.5
Profit/(Loss) after Tax	**541.83**	**(313.68)**	**272.7**
Basic earnings per share (in ₹)	**1.85**	**(1.07)**	**272.7**

In line with the domestic M&HCV industry volume growth, Your Company's volume grew by 41.5% in FY '22 over the same period last year. Revenue growth at 41.7% is in line with the volume growth registered by your Company during FY '22. M&HCV Truck and bus volumes for Your Company grew by 41.9% and 35.6% respectively for FY '22. Though the growth in terms of percentage is high for Bus, volumes were subdued throughout the year. Total industry volumes were at 11,804 nos as against a volume of 40,000 in a normal year. Domestic LCV volumes also grew by about 12% during the year. Vehicle export volumes (M&HCV and LCV) grew from 8,001 nos to 11,014 nos in FY '22 registering a 38% growth over last year. Your Company's revenues were at ₹ 21,688 Crores which is higher than previous year by 41.7%.

Costs:

Material Cost: FY 2021-22 witnessed a partial shutdown for first three months and a pent up demand consequent to the shutdown for the next nine months. The demand for flat and spring steel, castings, aluminium, palladium, platinum and other raw materials went up and so was the price. This has happened during the first three quarters which has resulted in a 5% increase in the material cost.

Through various internal initiatives covering price negotiation, value engineering, turnover discounts and business share optimization, your Company managed to secure a reduction of about 1.3% during the year.

Staff Costs: Staff costs went up by 7% during FY '22 primarily due to the increments and promotions sanctioned to the executives during the year. Your Company also entered in to a settlement of wages for associates across Hosur and Ennore plants during the year.

Finance Costs was marginally down by about 2% primarily due to better management of cash and working capital during the year. Fresh long term loans availed ₹ 650 Crores during the year. Cash generated from the business was used to repay the short term loans.

Depreciation for the year is at ₹ 752.76 Crores which is marginally higher than last year.

Other expenses at ₹ 2,238.10 Crores are higher than last year reflecting the increase in activity levels. All expenses covering, production, sales and administration overheads recorded increase over last year in line with the volumes growth. Thanks to the Reset initiative driven across the Organisation in FY '21, Administration overheads continued to be at low levels in FY 2021-22.

Total Capital Employed by your Company increased by about 10% from ₹ 18,450 Crores in FY 2020-21 to ₹ 20,334 Crores in FY 2021-22.

Total shareholder's funds as at March 31, 2022 stood at ₹ 7,337 Crores reflecting an increase of ₹ 360 Crores primarily reflecting the profit for the year ₹ 542 Crores as reduced by dividend ₹ 176 Crores, other comprehensive income ₹ 4 Crores and share based payments ₹ 2 Crores.

Summary of the Balance sheet is given below:

₹ in Crores

Sources of Funds	March 31, 2022	March 31, 2021	Inc / (Dec) %
Shareholder's funds	7,336.90	6,977.20	5.2
Non-Current liabilities	3,449.59	3,198.87	7.8
Current liabilities	9,535.51	8,273.84	15.2
Liabilities directly associated with assets classified as held for sale	11.78	--	100.0
Total	**20,333.78**	**18,449.91**	**10.2**

₹ in Crores

Sources of Funds	March 31, 2022	March 31, 2021	Inc / (Dec) %
Application of Funds			
Fixed Assets	5,088.23	5,538.44	(8.1)
Right of use asset	296.58	289.54	2.4
Intangible Assets	1,410.36	1,594.26	(11.5)
Investments	3,521.58	3,068.72	14.8
Loans and other non-current assets	495.22	507.42	(2.4)
Current assets	9,458.18	7,451.53	26.9
Assets classified as held for sale	63.63	--	100.0
Total	**20,333.78**	**18,449.91**	**10.2**

Capital expenditure and investments

During the year, your Company incurred ₹ 400 Crores towards capital expenditure predominantly towards:

a) Improving manufacturing capacity and capability covering LCV Engines, Frame Side member, SG Cast Iron, Cab Paint &Trim and Chassis Assembly;

b) new products covering Project Vayu (CNG vehicles development), Low Cost EATS development & Emission migration Projects (BS Construction Equipment Vehicle {CEV IV} and BS VI Phase 2).

c) Unit replacement & maintenance capex for sustenance

During the year, Your Company has invested ₹ 10 Crores in Gro Digital, ₹ 4 Crores in Ashley Aviation and ₹ 3 Crores in Ashley Alteams. Thus, in all your Company has invested ₹ 17 Crores by cash in joint venture / associates / subsidiaries during the year. In addition, during the year, ₹ 4 Crore loan has been converted into equity in Albonair GmBH. Your Company has done an impairment reversal of equity investment in Optare Plc for ₹ 781 Crores. There had also been impairments of ₹ 350 Crores during FY 2021-22 (Hinduja Energy ₹ 107 Crores, Albonair GmbH ₹ 239 Crores and Ashley Aviation ₹ 4 Crores).

Current assets as at March 31, 2022 were at ₹ 9,458 Crores when compared to previous year level of ₹ 7,452 Crores. The increase of ₹ 2,006 Crores was due to investment in mutual fund units ₹ 1,298 Crores, increase in receivables ₹ 295 Crores; increase in bank balances, cash & cash equivalents ₹ 224 Crores (₹ 250 Crores placed as deposits), increase in other financial assets ₹ 166 Crores (bank deposits ₹ 150 Crores), increase in other current assets ₹ 90 Crores offset by decrease in inventory by ₹ 67 Crores.

Liquidity

With a drop in sales in 1st quarter due to covid 2nd wave lock down, liquidity was under strain with meagre cash inflows on sales but outflows towards meeting commitment to various stakeholders including the dealers & suppliers. However, through a better understanding with all the stakeholders as well as with the support of bankers, your Company could manage the liquidity situation well. Liquidity pressure eased out progressively during Q2 and Q3 FY '22.

Your Company could generate ₹ 1,888 Crores of cash during the year primarily through reduction in working capital ₹ 1,433 Crores. Internal accruals enabled your Company to meet dividend commitment and investments and fresh long term loan borrowal was used to meet capital expenditure and long term working capital requirements. Your Company manages its liquidity through rigorous weekly monitoring of cash flows.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Details of significant changes in key financial ratios:

Ratios	Formula used	FY 2022	FY 2021
Debtors turnover	Revenue from operations / average debtors	7.32	7.64
Inventory	COGS / average inventory turnover	7.95	6.75
Interest coverage ratio	Earnings before interest and tax / interest expense	3.53	2.07
Current ratio	Current assets / current liabilities	0.99	0.90
Debt equity ratio	Debt / equity	0.49	0.54
Operating profit margin (%)	EBITDA / Revenue from operations	4.6	3.5
Net profit margin (%)	PAT without exceptional items / revenue from operations	0.1	-2.0
Return on net worth (%)	PAT without exceptional items / total equity	0.4	-4.3

The reason for change in ratios by more than 25% is mainly due to higher volumes and profitability achieved during the year ended March 31, 2022 in comparison with the year ended March 31, 2021.

Profitability

M&HCV volumes started improving gradually quarter on quarter in FY 2021-22. M&HCV domestic volumes in 1st quarter were low due to Covid 2nd wave but remarkably better than same period of FY '21. Q1 of FY '21 was predominantly closed due to Covid 1st wave. Your Company's profitability could not be sustained in the first two quarters of FY '22 consequents to low volumes, lockdown (Q 1) and commodity cost increases. Operating PBT loss was at ₹ 496 Crores. Volumes improved in Q3 which enable your Company to close with a meagre operating PBT loss of ₹ 15 Crores. Q4 witnessed remarkable improvement in volumes which enabled your Company to stage a comeback with an operating PBT of ₹ 528 Crores. Overall due to strong performance in Q4 your Company could end the year with an operating profit of ₹ 17 Crores. M&HCV Industry volumes grew 50% from 1,60,688 nos. in FY '21 to 2,40,577 nos in FY '22. Your Company managed the semiconductor shortages well without major shortfall in the supplies. Tighter control on material cost and operating expenses (through mission initiatives) combined with judicial sales mix through better performance in LCV & aftermarket businesses have contributed to the profits during the year.

The financial ratings of long term and short term facilities / commercial paper as given by rating agencies viz., CARE and ICRA in FY '21 continued without any change in FY '22.

Agency	Long Term	Short Term Facilities / Commercial Paper
CARE	CARE AA; Negative Outlook	CARE A1+
ICRA	ICRA AA; Negative 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 ₹ 1,077 Crores in FY 2021-22 which is higher than ₹ 627 Crores in FY 2020-21. In FY 2021-22, demand for Medium and heavy commercial vehicles picked up gradually from 7,860 nos in Q1 to 28,575 nos in Q4. Consequently, working capital requirement was higher at the end of the year to meet the surge in demand. Trade receivables went up by ₹ 365 Crores and inventory dropped marginally by ₹ 67 Crores. This is substantially offset by an increase in trade payables (₹ 1,731 Crores). All these have resulted in substantial reduction in working capital by ₹ 1,433 Crores.

Cash outflow for acquisition of fixed assets for FY 2021-22 was at ₹ 393 Crores as against ₹ 617 Crores last year reflecting a reduction of about ₹ 224 Crores in FY 2021-22. ₹ 98 Crores proceeds have been received by way of surrender of leasehold land in FY 2021-22. FY 2021-22 indicates a net cash outflow of ₹ 1163 Crores representing ₹ 1,284 Crores of investments in mutual fund units and ₹ 17 Crores by way of investments in associates / joint ventures offset by receipt of ₹ 100 Crores by way of redemption of bank deposits as well as interest receipts of ₹ 38 Crores during the year. FY 2020-21 witnessed the receipt of ICDs in full (₹ 500 Crores) which was offset by investment of ₹ 600 Crores in bank deposits as well as investments of ₹ 368 Crores in Joint venture / Associates / Subsidiaries. Cash outflow of ₹ 723 Crores from finance activities primarily reflect the repayment of current borrowings ₹ 894 Crores, and non-current borrowings ₹ 13 Crores, interest & other payments of ₹ 290 Crores, dividend payment of ₹ 176 Crores offset by drawal of fresh long term loans of ₹ 650 Crores.

Dividend

The Directors have recommended a dividend of ₹ 1.00 per share per equity share of ₹ 1/- each for the financial year ended Mar '22.

Cash flow statement

₹ in Crores

Particulars	31.03.2022	31.03.2021
Profit from operations after tax	1,077.31	626.96
(Inc)/Dec in Net working capital	1,569.62	(605.83)
Net cash (outflow) / inflow from operating activities	2,646.93	21.13
Payment for acquisition of assets – net	(295.71)	(616.57)
Cash inflow / (outflow) for investing activities	(1,163.20)	(358.62)
Cash inflow (outflow) from financing activities	(723.76)	205.97
Net cash inflow / (outflow)	**464.26**	**(748.09)**

The year ahead

M&HCV TIV has been growing since Q4 of FY '21 and this augurs well for the industry. There is still a lot of headroom for growth given that the fleets are ageing with average age being 9.9 years (as per ICRA April '22 report) and the announcement of scrappage policy is a step in the right direction. Macro-economic indicators put India as a high growth economy and an attractive market. Agriculture, cement, steel, infrastructure and e commerce are likely to witness sizeable growth in FY '23 and this augurs well for the improvement in CV demand. Direct and indirect tax collections, and increase in e-way bills numbers suggest that the economy is on growth mode. Increased offtake scenario as witnessed in last few quarters will continue with support from increased economic activity and replacement led demand.

With further demand growth, your Company is expecting pricing to become more rational. With the recent measures taken by Government of India through levy of export duty on some steel items as well as the decision to remove import duty on raw materials for steel will augur well for the CV industry in the long term. The situation on semiconductor is also being monitored closely.

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

For the entire FY '22, fleet utilization levels were on the rise as freight volumes picked up thereby easing cash flow pressure for the operators. Russia-Ukraine conflict has driven the diesel prices up leaving the spotlight on the fleet operators ability to protect their margins through freight rate hikes. Freight movement indicators covering port, rail freight, fast tag and e way bill volumes have all improved as economic activity picked up.

Your Company, even while growing market share sequentially has been raising prices owing to higher input costs. What is good to see is that retention of such increases is getting better. Your Company has also taken up a complete rationalization of its network, appointing new distributors and is also working to further improve dealer profitability which is crucial. Your Company is also focusing on expanding relationships with financiers. AVTR modular vehicles are doing very well and have raised the bar on industry performance. As volumes grow, your Company is confident that the benefits of modularity will become visible.

LCV - both Dost and Bada Dost are exceptional vehicles and have been growing stronger by the day and volumes are limited by the availability of semiconductors. Both these products hold immense potential for exports and are a perfect fit in our addressable markets.

Going forward, the growth drivers for the Bus segment remain largely favourable, with increasing vaccination penetration, opening up of offices and educational institutions. This will add to Your Company's volumes and market share as Your Company is a leader in buses.

After Market and International businesses continue to perform exceptionally well and Power Solutions business which again had grown significantly in FY '21 is constrained by availability of ECUs in FY '22.

Your Company is also putting efforts in reducing costs – both product costs as well as overheads the benefits of this can be seen by way of margin improvement.

Switch is an important initiative and your Company is extremely happy with the progress made. Switch India is operational with its own dedicated team. Your Company has received statutory approvals for transferring E-maas business to Ohm Global Mobility India.

Your Company is confident and extremely well positioned as a pure play CV player with New gen products and talented people to deliver profitable growth as the market demand picks up.

H. HUMAN RESOURCES

During the year under review, the total number of people on the rolls of the Company is 10,101.

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 EXECUTIVE CHAIRMAN AND WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD

We, Dheeraj G Hinduja, Executive Chairman and Gopal Mahadevan, Whole-time Director 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 that to the best of our knowledge and belief;

   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b) 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 violate the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and to the Audit Committee:

   a. that there are no significant changes in internal control over financial reporting during the year;

   b. that there are no significant changes in accounting policies during the year;

   c. 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.

Dheeraj G Hinduja
Executive Chairman

Place : Chennai
Date : May 19, 2022

Gopal Mahadevan
Whole-time Director and Chief Financial Officer

Place : Chennai
Date : May 19, 2022

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, also taking into account the peculiar circumstances leading to the national lockdown imposed by the Government of India due to the pandemic, 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.

Signature:
Name of Company Secretary in Practice: B. CHANDRA
ACS No.: 20879
C P No.: 7859
UDIN: A020879D000344719

Place : Chennai
Date : May 19, 2022

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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, 2022, 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, 2022, 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, 2014

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 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

a. Fund Raising Committee of the Board of Directors of the Company on March 17, 2022, has allotted 2,000 (Two Thousand) Secured, Listed, Rated, Redeemable, Non-Cumulative, Non-Convertible Debentures ('NCDs') having face value of ₹ 10,00,000/- (Rupees Ten Lakhs only) each for cash aggregating to ₹ 200,00,00,000/- (Rupees Two Hundred Crores only) on private placement basis.

b. a) Transferred Electric Vehicles (EV) business of the Company to M/s. Switch Mobility Automotive Limited, India. b) Transferred eMaaS (E-Mobility as a Service) business of the Company to M/s. Ohm Global Mobility Private Limited, India.

c. Mr Dheeraj Hinduja was appointed as Executive Chairman (Whole Time) subject to approval of Central Government pursuant to provisions of Schedule V Section I, Part I of Companies Act 2013

Signature:
Name of Company Secretary in Practice: B. CHANDRA
ACS No.: 20879
C P No.: 7859
UDIN: A020879D000344719
PEER REVIEW Certificate No 602/2019

Place : Chennai
Date : May 19, 2022

ANNEXURE I TO THE BOARD'S REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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,
M/s. Hinduja Leyland Finance Limited
CIN# U65993TN2008PLC069837
1 Sardar Patel Road,
Guindy, Chennai – 600032

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information, explanations and clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial ended 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Hinduja Leyland Finance Limited for the financial year ended on 31st March, 2022 according to the provisions of:

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

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

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

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

(v) SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021.

(vi) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') to the extent applicable.

(vii) Reserve Bank of India Act, 1934 read with applicable Rules and Regulations relating to the:

(a) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(b) Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.

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

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

We report that during the audit period under review;

1) The company issued and allotted 1,10,500 equity shares of ₹ 10/- each to its Equity Shareholders under Employee Stock Options Plan of the Company as detailed below:

S. No.	Date of Allotment	Face Value Per Share (in ₹)	Premium (in ₹)	Number of Equity shares
1	07.04.2021	10	18	46500
2	13.07.2021	10	65	15000
3	20.12.2021	10	44.4	19000
4	29.03.2022	10	18	10000
		10	44.4	20000
TOTAL				**1,10,500**

2) The Company has transferred an amount of ₹ 5,06,01,643/- remaining unspent relating to ongoing projects, to a separate bank account on 29th April, 2022, as required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

3) The Company issued and allotted 6750 Secured Redeemable Non-Convertible Debentures of ₹ 10,00,000/- each aggregating ₹ 675,00,00,000/- and 1500 Un-secured Redeemable Non-Convertible Debentures of ₹ 10,00,000/- each aggregating ₹ 150,00,00,000/-

4) The Board of Directors at their meeting held on 22nd March 2022 re-appointed Mr. S. Nagarajan (DIN 00009236) as Executive Vice Chairman for a period of one year with effect from 1st April 2022. The said reappointment was approved by the Shareholders at their Extra-ordinary General meeting held on 25th March 2022.

5) Mr. Andreas Hubertus Biagosh (DIN 06570499) resigned as an Independent Director of the company on 9th November 2021. The Board of Directors at their meeting held on 22nd March 2022 appointed Mr. Jean Brunol (DIN 03044965) as an Independent Director of the Company for a period of 5 years with effect from 22nd March 2022. The said appointment was approved by the Shareholders at their Extra-ordinary General meeting held on 25th March 2022.

ANNEXURE I TO THE BOARD'S REPORT

We further report that

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

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

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

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

For **M/s. G Ramachandran & Associates**
Company Secretaries

G. RAMACHANDRAN
Proprietor
FCS No.9687 CoP. No.3056
UDIN: F009687D000324738

Place : Chennai
Date : 17th May, 2022

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE-A SECRETARIAL AUDIT REPORT OF EVEN DATE

To,
The Members,
Hinduja Leyland Finance Limited
CIN# U65993TN2008PLC069837
1 Sardar Patel Road,
Guindy, Chennai – 600032

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

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. G Ramachandran & Associates**
Company Secretaries

G. RAMACHANDRAN
Proprietor
FCS No.9687 CoP. No.3056
UDIN: F009687D000324738

Place : Chennai
Date : 17th May, 2022

ANNEXURE J TO THE BOARD'S REPORT
ANNUAL REPORT ON CSR FOR FY 2021-22

1. **Brief outline on CSR Policy of the Company.**

   In line with the philosophy of "Aap ki jeet, Hamari Jeet", 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 has been uploaded in the website of the Company at https://www.ashokleyland.com/in/en/community/csr-policy.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of 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	2	2
2	Ms. Manisha Girotra	Independent Director	2	2
3	Mr. Sanjay K Asher	Independent Director	2	2

3. **Provide the web-link 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/in/en/community/csr-policy

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) –** The Report pertaining to Impact Assessment carried out for Road to School project is available on the website at https://www.ashokleyland.com/in/en/community/csr-policy.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any –** Nil

6. **Average net profit of the Company as per section 135(5): –** ₹ 866.99 Crores (FY 2021-22)

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹17.34 Crores

   (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years – Nil

   (c) Amount required to be set off for the financial year, if any – Nil

   (d) Total CSR obligation for the financial year (7a+7b+7c): ₹ 17.34 Crores

8. (a) 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 section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (₹ in Crores)	Date of transfer	Name of the Fund	Amount (₹ in Crores)	Date of transfer
16.93	0.32	29.04.2022	PM's National Relief Fund	0.09	Will be transferred on or before September 30, 2022

   (b) Details of CSR amount spent against ongoing projects for the financial year (₹ in Crores)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
1	Road to school – Tamil Nadu 457 schools	Promote Education	Yes	Tamil Nadu	Krishanagiri Tiruvallur Namakkal	3 years	10.91	10.59	0.32	No	Learning Links Foundation	CSR00000640

ANNEXURE J TO THE BOARD'S REPORT
FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
2	Road To School - Jammu & Kashmir- 36 schools	Promote Education	Yes	Jammu & Kashmir	Reasi Rajouri Udhampur Baramulla Kupwara Bandipora	3 years	0.47	0.47	-	No	Learning Links Foundation	CSR00000640
3	Road to School – Alwar & Bhandara- 5 schools	Promote Education	Yes	Rajasthan Maharastra	Alwar Bhandara	3 years	0.23	0.23	-	No	Learning Links Foundation	CSR00000640
4	Infrastructure Development in Government Schools	Rural Development	Yes	Uttarakhand	Udham Singh Nagar	3 years	0.35	0.35	-	Yes	-	-
5	Water Projects – Chirag	Ensuring Environmental Sustainability	Yes	Uttarakhand	Nainital	3 years	0.10	0.10	-	No	Chirag	CSR00004689
6	Skill Development Project – Jammu & Kashmir	Promote Education	Yes	Jammu & Kashmir	Kathua Budgam	3 years	0.17	0.17	-	Yes	-	-
	Total						**12.23**	**11.91**	**0.32**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year: (₹ in Crores)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
SI. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project.**		**Amount spent for the project (₹ in Crores)**	**Mode of Implementation - Direct (Yes/ No).**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration No.**
1	AIDS – awareness, prevention and control	Promoting Health care	Yes	Tamil Nadu	Hosur	0.15	No	Gnana Deepam	CSR00001350
2	Water Initiative with Hinduja Foundation	Ensuring Environmental Sustainability	Yes	Maharashtra	Pune	1.02	No	Hinduja Foundation	CSR00002326
3	Grants to Cancer Institute	Environmental Sustainability	Yes	Tamil Nadu	Chennai	0.33	No	Cancer Institute WIA	CSR00007235
4	Grants to Mukul Madhav Foundation	Promoting Health care	Yes	Maharashtra	Mumbai	0.54	No	Mukul Madhav Foundation	CSR00000343
5	Grants to Pandit Dean Dayal Foundation	Promoting Health care	Yes	Uttarakhand	Pantnagar	0.06	No	Pandit Dean Dayal Foundation	CSR00016828
6	Grants to Hinduja Foundation for Diabetic Research	Promoting Health care	Yes	Maharashtra	Pune	1.00	No	Hinduja Foundation	CSR00002326
7	Grants to CII Foundation	Promoting Health care	Yes	Delhi	Delhi	0.02	No	CII Foundation	CSR00001013
8	Grants to Chinnamoulana Trust	Promotion of art	Yes	Tamil Nadu	Trichy	0.03	No	Dr. Chinna moulana Memorial Trust	CSR00025466
9	COVID-19 Relief work	Promoting Health care	Yes	Tamil Nadu Rajasthan	Chennai Krishnagiri Alwar	0.47	Yes	-	-
10	COVID-19 - Diaster Management	Promoting Health care	Yes	Tamil Nadu Rajasthan	Chennai Krishnagiri Alwar	0.46	Yes	-	-
	Total					**4.08**			

(d) Amount spent in Administrative Overheads ₹ 0.87 Crores

(e) Amount spent on Impact Assessment, if applicable – ₹ 0.07 Crores

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 16.93 Crores

(g) Excess amount for set off, if any: Not Applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years: (₹ in Crores)

SI. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (₹ in Crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
1	2019-20	11.59	-	-	-	-	-
2	2020-21	15.51	5.92	PM's National Relief Fund	0.17	20.09.2021	9.59
	Total	**15.51**	**5.92**				**9.59**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ in Crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SI. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount Allocated for the Project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed / Ongoing
1	FY31.03.2021_1	Road to School	2020-21	3 years	3.51	2.70	2.70	Ongoing
2	FY31.03.2021_2	RTS - Sports Education	2020-21	3 years	0.92	-	-	Ongoing
3	FY31.03.2021_3	RTS - Music Education	2020-21	3 years	1.20	-	-	Ongoing
4	FY31.03.2021_4	RTS - Breakfast to Children	2020-21	3 years	3.38	-	-	Ongoing
5	FY31.03.2021_5	Health Checkup	2020-21	3 years	0.76	0.29	0.29	Ongoing
6	FY31.03.2021_6	AL - Health initiative	2020-21	3 years	0.72	-	-	Ongoing
7	FY31.03.2021_7	Water Project	2020-21	3 years	4.91	2.82	2.82	Ongoing
8	FY31.03.2021_8	Skill Development Centre - J&K	2020-21	3 years	0.11	0.11	0.11	Ongoing
	Total				**15.51**	**5.92**	**5.92**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).- Nil for FY 2021-22

(b) Amount of CSR spent for creation or acquisition of capital asset- Nil for FY 2021-22

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – Nil for FY 2021-22

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) – Nil for FY 2021-22

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).

During the year, the Company has spent Rs. 16.93 Crores on various CSR projects. On account of the challenges in implementation of CSR projects due to the disruption caused by the second and third wave of COVID-19 pandemic, the Company was unable to spend the entire CSR obligation. The unspent amount on account of ongoing projects will be spent in the forthcoming years.

May 19, 2022
Chennai

Dheeraj G Hinduja
Executive Chairman & Chairman of the CSR Committee

ANNEXURE K TO THE BOARD'S REPORT
BUSINESS RESPONSIBILITY REPORT

INTRODUCTION

The Business Responsibility (BR) disclosures in this Report illustrate our effort towards creating enduring value for all stakeholders in a responsible manner. This Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (hereinafter "NVG-SEE") released by Ministry of Corporate Affairs, and is in accordance with Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter "SEBI Listing Regulations"). This report provides an overview of the activities carried out by Ashok Leyland Limited under each of the nine principles as outlined in NVG.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L34101TN1948PLC000105
2. **Name of the Company:**Ashok Leyland Limited
3. **Registered address:** No. 1, Sardar Patel Road, Guindy, Chennai - 600 032
4. **Website:** www.ashokleyland.com
5. **E-mail id:** secretarial@ashokleyland.com
6. **Financial Year reported:** April 1, 2021 to March 31, 2022
7. **Sector(s) that the Company is engaged in (industrial activity code wise)**

NIC CODE	Description
29102	Manufacture of commercial vehicles such as vans, lorries, over-the-road tractors for semitrailers, etc.
29103	Manufacture of chassis fitted with engines for the motor vehicles included in this class
29104	Manufacturer of Motor vehicle engines
29109	Manufacture of motor vehicles n.e.c
2920	Manufacturer of bodies (coachwork) for motor vehicles

8. **List three key products/services that the Company manufactures/provides (as in Balance sheet)**
   a. Medium and Heavy Commercial Vehicles
   b. Light Commercial Vehicles
   c. Power Solutions systems
9. **Total number of locations where business activity is undertaken by the Company**
   a. **Number of International locations (provide details of major 5):**
   Ashok Leyland Limited through its various subsidiaries/associates/joint ventures has spread over 7 countries having manufacturing/assembly/arrangement facilities in UAE, Sri Lanka, Nigeria, Kenya.

   b. **Number of National locations:**
   Manufacturing locations are situated in Ennore, Chennai, Sriperumbudur, and Hosur (Tamil Nadu), Bhandara (Maharashtra), Alwar (Rajasthan), Pantnagar (Uttarakhand). Technical Centre: Vellivoyalchavadi, (Tamil Nadu) and Vijayawada (Andhra Pradesh).

c. **Markets served by the Company:**
   a. Pan India across all states in India.
   b. SAARC – Bangladesh, Nepal, Bhutan, Sri Lanka & Maldives
   c. MIDDLE EAST- UAE, Oman, Saudi Arabia, Qatar, Kuwait, Bahrain, Lebanon
   d. AFRICA
      i. NORTHERN AFRICA – Morocco, Egypt
      ii. SOUTHERN AFRICA – South Africa, Mauritius, Madagascar
      iii. EASTERN AFRICA - Kenya, Tanzania, Uganda, DR Congo
      iv. WESTERN AFRICA – Ivory Coast, Nigeria, Ghana, Burkina Faso, Cameroon Republic of Congo, Senegal, Sierra Leone, Guinea Conakry
   e. CIS countries - Russia, Ukraine
   f. ASEAN – Thailand (Defence).

SECTION B: FINANCIAL DETAILS OF THE COMPANY

S. No.	Particulars	FY 2021-22 Standalone (₹ in Crores)	FY 2020-21 Standalone (₹ in Crores)
1.	Paid up capital	293.55	293.55
2.	Total Turnover	21764.42	15,420.95
	(a) Revenue from Operations	21688.29	15,301.45
	(b) Other income (net)	76.13	119.50
3.	Profit/(Loss) After Tax	541.83	(313.68)

4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**

   The Company has spent to the tune of ₹ 16.93 Crores towards CSR activities during financial year 2021-22 representing about 2% of the average net profits for the preceding three financial years.

5. **List of activities in which expenditure in 4 above has been incurred:**

   The initiatives undertaken by the Company are in line with the eligible areas as listed under Schedule VII of the Companies Act, 2013. Please refer CSR report annexed to the Board's Report.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/Companies?**

   The Company has 29 Subsidiaries, 5 Associates and 2 Joint Ventures as on March 31, 2022.

2. **Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s):**

   The report boundary does not include the sustainability performance of our subsidiaries, joint ventures or supply chain partners for this year.

ANNEXURE K TO THE BOARD'S REPORT
BUSINESS RESPONSIBILITY REPORT

As a part of our supplier surveillance audit, we look into pollution control measures & certification, and hazardous waste disposal through effluent treatment or through third party engagement. We apprise on the importance of maintaining clean factory environment for the working community and safety equipment installation & maintenance, during our audit discussions with the supplier partners' management.

3. **Do any other entity/entities (eg. Suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [less than 30%, 30%-60%, more than 60%]**

The Company engages and partners with several entities including reputed NGOs to implement several of its BR initiatives. but tracking is not done as of now.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

a. **Details of the Director/Directors responsible for implementation of the BR policy/policies:**

The Corporate Social Responsibility (CSR) Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

S. No.	Name of the Director	Category
1	Mr. Dheeraj G Hinduja	Executive Chairman
2	Ms. Manisha Girotra	Independent Director
3	Mr. Sanjay K Asher	Independent Director

b. **Details of the BR head:**

S. No.	Particulars	Details
1	DIN Number (if Applicable)	NA
2	Name	Mr. NV Balachander
3	Designation	Chief Sustainability Officer and President – CSR, Communications & Corp Affairs
4	Telephone number	044 – 2220 6707
5	e-mail id	Bala.NV@ashokleyland.com

2. **Principle-wise (as per NVGs) BR Policy/policies (reply in Y/N)**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

Principle 1: Businesses should conduct and govern themselves with ethics, Transparency and accountability (ethics, transparency, accountability).

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (Safe and sustainable goods and services).

Principle 3: Businesses should promote the wellbeing of all employees (Wellbeing of employees).

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized (responsiveness to all Stakeholders).

Principle 5: Businesses should respect and promote human rights (Promoting Human Rights).

Principle 6: Business should respect, protect, and make efforts to restore the environment (Protecting the environment)

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner (responsible Policy advocacy)

Principle 8: Businesses should support inclusive growth and equitable development (Supportive Inclusive development)

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner (Providing Value to customers).

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do u have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (Stds such as ISO 14000 (EMS) and TS 16949 (Quality)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If Yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Ref table below								

ANNEXURE K TO THE BOARD'S REPORT
BUSINESS RESPONSIBILITY REPORT

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?		Y	Y			Y			Y

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability (Ethics, Transparency, Accountability)	Whistle Blower Policy	
Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (Safe and Sustainable goods and services)	Sustainability Policy Environment Policy Quality Policy	
Principle 3 Businesses should promote the wellbeing of all employees (Wellbeing of employees)	Sustainability Policy Occupational Health Safety Policy	
Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized (Responsiveness to all Stakeholders)	CSR Policy Sustainability Policy	
Principle 5: Businesses should respect and promote human rights (Promoting Human Rights)	Code of Conduct Sustainability Policy Whistle Blower Policy	https://www.ashokleyland.com/en/policies
Principle 6 Business should respect, protect, and make efforts to restore the environment (Protecting the Environment)	Environment Policy Sustainability Policy	
Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner (Responsible Policy Advocacy)	Code of Conduct Whistle Blower Policy	
Principle 8 Businesses should support inclusive growth and equitable development (Supportive Inclusive Development)	Sustainability Policy CSR Policy Code of Conduct	
Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner (Providing Value to Customers)	Code of Conduct Quality Policy	

2a) If answer to S. No: 1 against any principle, is "No", please explain why: NOT APPLICABLE

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task					Not Applicable				
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 Months, 3-6 Months, Annually, More than 1 year

3-6 months. Please refer "Corporate Governance" section of the Company's Annual Report for the Year 2021-22 for details of the various committees and their responsibilities

b. Does the Company publish a BR or a sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. We publish our sustainability Report every year in accordance with GRI Standards, which has information in detail, about all the Principles.

Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

The Company has an exhaustive Code of Conduct policy which covers all aspects of ethical practices and lays emphasis on adoption of the highest standards of personal ethics, integrity, confidentiality and discipline in dealing with matters relating to the Company, which are covered in all our dealings with any stakeholders viz., suppliers, customers and any joint ventures etc.

We have a strict code of conduct to prevent insider trading and ensure integrity. There are standard communications before board meetings that communicates the time when they should not trade, and clear instructions about what to do when they do trade.

We have a whistle blower policy and is fundamental to the Company's professional integrity. In addition, it reinforces the value the Company places on staff to be honest and respected members of their individual professions. Our Company is committed to satisfy the Company's Code of Conduct and Ethics, particularly in assuring that business is conducted with integrity.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Details of investor complaints received and redressed during the Financial Year 2021-22:

During the year, 20 complaint letters and 1,572 correspondences were received from investors (including 8 letters from the Stock Exchanges/ SEBI SCORES/MCA/NCLT).

Subject Matter of Complaints	Pending as on March 31, 2021	Letters Received	Letters replied / completed	Pending as on March 31, 2022
Non-receipt of Certificate	-	1	1	-
Non-Receipt of Dividend/Interest	-	4	4	-
Non-Receipt of Annual Report	-	2	2	-
Loss of Share Certificates	-	1	1	-
Transmission of shares	-	3	3	-
Refund of shares from IEPF Authority	-	1	1	-
Others	-	8	8	-
Total	**-**	**20**	**20**	**-**

Subject Matter of Correspondence	Pending as on March 31, 2021	Letters Received	Letters replied / completed	Pending as on March 31, 2022
Regarding Share Certificate	-	82	81	1
Regarding Dividend/Interest	-	36	36	-
Regarding Annual Report		7	7	-
Issue of Duplicate Share Cert.	-	25	25	-
Loss of Share Certificates	-	128	123	5
Revalidation of Dividend/Interest	3	242	243	2
Issue of Duplicate Dividend/Interest	1	34	33	2
Procedure for Transmission	1	312	309	4
Change of Address/Bank Mandate	-	252	252	-
Other Correspondence	-	134	133	1
Unclaimed share certificate	-	13	13	-
Unclaimed Dividend	-	198	197	1
Claims regarding refund of Shares/Dividend from IEPF authority	3	109	111	1
Total	**8**	**1,572**	**1,563**	**17**

Shareholder queries shown pending as on March 31, 2022, have been subsequently resolved within the prescribed time limits.

It is of utmost importance for us to ensure that our stakeholders' concerns are resolved expeditiously.

Principle 2: Product Life Cycle Sustainability

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   At Ashok Leyland, we are committed to promote sustainable mobility and drive progress through better engineered and energy efficient vehicles. Our focus on the ecosystem and environmental conservation is ingrained in the way we conduct our business.

   Following are the major products that we launched during 2021-22.

   We launched a family of CNG buses and trucks under the Project Vayu initiative. CNG has cleaner emissions and as a fuel it is competitive when compared to diesel. This has a direct bearing on cost competitiveness for the customer and more environmentally friendly emissions. The technology is mature and per se there are no concerning risks. However, the current CNG cylinders are made of steel and there are opportunities to go for Type 4 composite cylinders which would decrease the unladen weight of the vehicle, which means more payload carrying capacity.

   The Kingdom of Bhutan is the only country in the world that is carbon negative. In order to support the country's environmental conscious approach, we have started delivering BS VI compliant vehicles. We introduced BS VI compliant N 1920 10.5 CBM Tipper in Bhutan in Feb'22.

   BADA DOST is the first product built on global LCV platform (AL IPR). Subsequent to the phased launch in FY'21, we have launched Bada-Dost Pan-India in FY'22. Bada Dost, with an 80 hp engine has best-in-class power & mileage, payload and load body length that enable the customers to carry more in a single trip. An ideal vehicle for inter and intra city applications owing to its low turning radius and best-in-class ground clearance, and can negotiate all terrains with ease. Bada Dost has many comfort features like 3-seater walkthrough cabin, foldable backrest and a host of other car-like ergonomic interiors that focus on driver comfort. Bada Dost is a versatile product that offers a perfect blend of comfort and performance enhancing customer profitability and ownership experience. Available in Left hand and right hand version, in E4/E6 versions for export markets.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   a. **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

      As an automobile manufacturer, we continue to contribute in delivering sustainable transport solutions. Innovation is a core competency that spans across our entire value chain. It's not just the products we create; but also, the solutions we provide through our state-of-the-art technologies that translate into cleaner, safer and more connected transportation options for our customers.

      We continue to closely work with our suppliers and vendors to reduce the environmental impacts during procurement. There has been a continuous focus on reducing usage of wood & other non-biodegradable material which contributes towards sustainable environment.

   b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

      The Company is continuously working towards improving fuel efficiency, through reduction of energy usage by consumers, but tracking such reduction is not possible as it is highly dependent on individual customers driving habits. We ensure that our operations are energy efficient and have low environmental impact.

      We have been closely working with our suppliers in order to improve the performance and efficiency of our vehicles. One such product is DOST with Bosch Fuel system (SCR) which was launched in FY 22 and benefits the customers with more mileage and hence generating more earning for the customer and lesser environmental impact.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

   Yes. Amongst our key strategies in supply chain management are local sourcing and green supply chain. Ashok Leyland has a very clear laid out policy on sustainable sourcing called the "Green Supply chain initiative" through returnable pallets & stillages and ecofriendly packaging in order to reduce the usage of wood and carton.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Yes. We have a very strong localization policy and 98% of our suppliers are based in India.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also provide details thereof, in about 50 words or so?**

   Towards resource optimization, we have taken focused initiatives (3R-reduce, recycling & reuse concept) in the manufacturing processes. To optimize our material consumption, we also utilize recycled materials in our processes to the maximum extent. All our solid waste, packing materials are sold to the authorized scrap dealers & further it is recycled & reused by them. The waste water generated from our operations are recycled & reused for domestic & industrial applications. We emphasize reduction of waste at source, followed by recycling and final disposal in a responsible manner.

PRINCIPLE 3: Employee Wellbeing

1. **Total number of employees:** 10,101 (Executives, Trainees, Consultant, Associates)

2. **Total number of employees hired on temporary/contractual/ casual basis –** 16,551

3. **Total number of permanent women employees –** 311 Executives and 40 Trainees

4. **Please indicate the Number of permanent employees with disabilities –** 72

5. **Do you have an employee association that is recognized by management?**

   Yes. All our Manufacturing locations except Pant Nagar and Vijayawada have Unions recognized by the Management.

6. **Percentage of your permanent employees is members of this recognized employee association? –** 49.8%

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the of the financial year –** Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training last year?**

   Safety being one of our core values, we are committed to continuous improvement of our safety performance. We believe that providing safe workplace is our key responsibility. We make sure that our premises, operations and systems are safe. We have a safety policy which covers all the manufacturing plants, R&D, warehouse, distribution centers and office buildings. We are constantly looking for ways to strengthen our safety performance across facilities & locations. We provide safety trainings to the new joiners and refresher safety training is conducted periodically. Skill upgradation is also part of our strategic plan where employees are identified based on the need & provided the training across all the levels. Now we provide safety trainings through digital mode also. As per the Road map of Safety for five years, awareness given on ISO 45001 – Occupational health & safety management system to all employees of AL units. In all our manufacturing plants, we also conduct mock drills periodically to handle any emergencies. As a part of capability building, Lead auditor and Internal auditor trainings given to identified executives by IRQS, certifying body. All seven AL plants have been certified with ISO 45001- Occupational Health and Safety Management System. In the recently conducted EHS Excellence Award ceremony by Confederation of Indian Industries (CII), our manufacturing plants won 9 EHS Maturity Awards and 6 Special Category Awards. Our Hosur 2 plant has won Gold Award and Pantnagar, Hosur 1, Hosur 3 (CPPS) and Foundry Division, Sriperumbudur have won Silver awards.

PRINCIPLE 4: Stakeholder Engagement

1. **Has the Company mapped its internal and external stakeholders?**

   Yes. At Ashok Leyland, we believe that stakeholder engagement is a key to sustainable growth which helps in fostering long term relationships with our stakeholders. We have identified employees, Dealers/customers, suppliers, Regulatory Authorities, NGOs, School Management committees and Community as our primary stakeholders. We engage with our stakeholders based on trust, transparency and accountability. In response to COVID -19 pandemic lock-down, we conducted socio economic survey of 40000 households in our CSR Locations.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes. Our CSR team have identified schools in remote rural villages in Thiruvallur, Krishnagiri, Namakkal and Salem districts of Tamil Nadu State, Alwar in Rajasthan, Bhandara in Maharashtra. In 2021-22, we have identified marginalized communities in Jammu and Kashmir valley to extend our CSR programs. Our target beneficiaries are children who are first generation learners, economically poor, migrated population who are working in various semi-skilled and unskilled professions. Children who are slow learners in these primary and middle schools have also been identified as the specific target group to build foundational numeracy and literacy skills and wellness education.

   Through our "Jal Jeevan" Water Initiative, we have created infrastructure for Sanitation Improvement in the rural villages, Spring Shed management and roof top rain water harvesting in Rajasthan and Uttarakhand States. Medical Centre facilities and Health awareness are continued for Truck Driver Community in Tamil Nadu and Odisha, around 56,133 people were benefitted.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   We believe that education is the most powerful tool for social and economic transformation. Our main initiative "Road to School" is a holistic child development initiative focused on education, health and wellbeing of underprivileged children. In the year 2021-22, due to pandemic related school closures, we created a strategy to reach out to children through online medium as well as by setting up small community learning groups. During the pandemic, our focus was to mitigate any learning loss due to school closures and improve social and emotional wellbeing of students and parents during lockdowns. We were instrumental in reaching out to 60000 plus students with digital learning to avoid learning loss. During the year, 36 more rural schools from Jammu & Kashmir were added under the Road to School Program, thus directly impacting 96000 students per year in association with our partners; Hinduja Leyland Finance, Hinduja Housing Finance, Hinduja Tech Limited and Gulf Oil Lubricants India Limited.

   Through our "**Jal Jeevan**" Water Initiative, we have created infrastructure for underprivileged community for Sanitation and Drinking Water in rural Villages of Rajasthan, Spring Shed Management and Roof Top rain water harvesting in Uttarakhand. During 2021-22, we have completed the following projects :-

   - **Alwar District, Rajasthan**
     - Construction Roof Rain Water Systems - 133 for Individuals and 9 for Communities
     - Recharging of 21 Borewells / Tubewells
     - Construction of 86 toilets to avoid open defecation
     - Mini Sprinklers / Pipe Sprinklers installed in 59 acres
     - Pipeline support provided – 16,955 mtrs
     - Total beneficiaries – 4,927 people
   - **Nainital District, Uttarakhand**
     - 35 springs in Himalayan springs rejuvenated
     - 94 Roof Rain-Water Harvesting systems constructed
     - Water Recharge enhanced thro' springs : 114 Lakh Litres
     - Water harvested thro' RRWHS : 21 Lakh Litres
     - 36 Electricity-free water filters issued to Govt Schools
     - 24,814 plantations done
     - Employment opportunity generated worth of ₹67.74 Lakhs
     - Total beneficiaries – 9,548

Historic Monument of Alwar – Moosi Rani Sagar was rejuvenated fully and dedicated to the people of Alwar on 22nd March 2022.

PRINCIPLE 5: Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

The Company doesn't have a separate Human Rights policy. We ensure compliance with all applicable laws of the land pertaining to human rights, to preserve the rights of all its internal and external stakeholders. Aspects of human rights such as child labour, forced labour, occupational safety, non-discrimination are covered by its various Human Resource policies. We also ensure that human rights clauses such as collective bargaining, equal opportunities and prohibition of child and forced labour are practiced and included in our contracts with our suppliers.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There have been no cases of discrimination and human right breaches during the reporting period.

PRINCIPLE 6: Environmental

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others?

The Company has a Sustainability Policy in place which covers only the Company.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, give hyperlink for the webpage etc.

We are conscious of the impact of our manufacturing operations as well as products on the local and global environment due to GHG emissions and resource consumption throughout their life cycle. Our approach towards climate change mitigation focuses on product innovation to improve their fuel efficiency and reducing the environmental footprint of our manufacturing operations. Few of our efforts are listed below:

Efforts from plant operations:

- Energy conservation (both electricity & thermal) activities across all the plants
- Procurement of green electricity (wind mill) & installation of solar panels
- Scope 1 emission reduction through lesser emission fuels such as propane & LPG instead of diesel
- Mass plantation of saplings
- Water conservation projects (water consumption reduction is equivalent to emission reduction)
- Migration into R134 refrigerant gas from R22 gas in the chillers & A/c

Effort from product:

- CNG & Hybrid buses
- CNG – Light Commercial Vehicles

CNG burns cleaner and hence has emission after treatment systems that are less expensive and less complicated. Naturally limiting use of SCR technology and the associated consumables such as urea significantly help the environment.

3. Does the Company identify and assess potential environmental risks?

Yes. Stringent vehicular emission norms, fluctuating fuel prices coupled with Global climate change, are the key business risks for the automobile industry. Water is identified as one of the foremost environmental risk and we are working on RWH projects. We have an Environmental Management System in place to identify and assess potential environmental risks arising from our operations. To mitigate these risks, we at Ashok Leyland continue our focus on a green approach' and have initiated several measures in adding green cover across our manufacturing plants, water harvesting, recycling, and introducing alternative sources of energy such as solar power etc.

All products of the Company fully conform to the mandated government norms.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?

We are committed to complying fully with all applicable environmental laws and regulations that are imposed by Ministry of Environment and Forest & Climate Change (MoEFCC) and Central/ State Pollution Control Board.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Our focus on the ecosystem and environmental conservation is ingrained in the way we conduct our business. Some of our initiatives are highlighted below:

- Green power utilization (Wind & Solar), lower emission fuels, EV, CNG, Development of BS VI engines.
- **Process:** Cleaner technology – Energy & water conservation, using the hazardous waste as alternate fuel & materials, Recycling & reusing the water, CFC free chillers & A/Cs.
- Installed energy efficient equipment – Heat pumps, Energy efficient motors, installation of VFDs, LED lights, turbo ventilators etc.
- **Renewable energy:** Wind energy, solar power.

  The usage of wind energy was around 26% of the total power consumption & it was 64.44 million Units. Similarly, the usage of solar energy through 10.14 MW roof top solar power across AL units and 75 MWp solar park at Sivagangai District, in Tamil Nadu, resulted in total consumption of 113.25 Million units in FY22 which was 45% of the total consumption Company Green Energy initiative realized a very impressive reduction in emissions by 1,45,706 tco2e. Now, the Company stands at 80% of renewable energy in Tamil Nadu and 71% throughout India.

- **Energy Management:** Our energy approach centers work on maximizing efficiency and reducing energy wastage. Being part of an energy intensive sector, we continuously strive to manage our energy needs responsibly and seek opportunities to improve efficiency. Our energy needs are met by a mix of High Speed Diesel (HSD), Liquefied Petroleum Gas (LPG) and electricity. We also focus on increasing our share of renewable energy in our overall energy mix. We source wind power from external source at our Hosur and Ennore plants. We also utilize energy produced from biomass.

- **Water Management:** AL is a Water Positive Company certified by M/S DNV GL. Ground water Consumption has been minimized across all manufacturing units by implementing Rainwater Harvesting and other water efficiency Improvements. We are committed to minimize our water footprint and reduce the freshwater consumption by reusing as much water as possible in our processes. Our primary sources of water supply for the operational use are ground water, surface water, purchased water, municipal supply. We have taken several initiatives such as rainwater harvesting, water recycling, etc. to reduce our specific water consumption year on year. Around 65-70% of the fresh water consumed is recovered through Sewage/ Effluent Treatment/Zero Liquid Discharge. Plants put the treated water into use both for inland gardening as well as process applications. All our manufacturing sites are Zero Liquid Discharge (ZLD) facilities and we regularly reuse/ recycle treated wastewater for gardening. All our plants have rainwater harvesting arrangements.

- **Biodiversity:** Afforestation was undertaken towards enhancing biodiversity. About 56,179 trees were planted in 18585sqm (20 locations) in a phased manner so far in FY22. Total tree plantations inside and outside plants in FY22 is 49,812 nos. We put every effort to protect it through various initiatives. We have developed water bodies through water-run off and carried out tree plantation at our manufacturing sites. We nurture more than 700,000 trees and saplings within our campus. We make sincere efforts to cultivate these saplings and ensure a high survival rate. Our activities at various sites have attracted a variety of migratory birds and also provided a home to different avian fauna like ducks, peacocks etc. The pond also acts as a conducive place for breeding of fishes & turtles. Our initiatives have also led to the forming of good & safe habitats for Neel Gay, Rozary species of Deer, Rabbits etc.

- **Waste Management:** We constantly endeavor to minimize waste generation at the source and ensure responsible waste disposal. At our sites, we are committed to 'Zero Waste to landfill' and thus, we incessantly strive to recycle and reuse our waste through various initiatives such as co-processing, stabilization of ETP sludge, etc. Non-hazardous wastes such as packaging material and scrap are recycled and reused. Waste elimination is one of the most effective ways to increase the profitability of any business. All efforts are made to eliminate waste at source. We ensure that the waste generated from our operations are disposed off in an environmentally sound manner and as per the regulatory requirements.

We are actively pursuing cutting-edge technologies such as electric vehicles, hydrogen internal combustion engines and hydrogen fuel cells. In addition to this, we have constantly reduced vehicle weight by going for better steel grades to improve power to weight ratio of our vehicles.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   We undertake several initiatives to ensure that the emissions, effluents and waste generated as a result of our operations are well within the permissible limits prescribed by Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB).

7. **Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There is no show cause notices from either CPCB or SPCB in the reporting period.

PRINCIPLE 7: Policy Advocacy

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

   We are active members of CII, SIAM, FICCI and ASSOCHAM.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Through our long-standing association with SIAM, CII, FICCI and ASSOCHAM, we have been participating in the process of improving all major auto policy issues which are directly or indirectly impacting us. On a regular basis we participate in the policy framing exercises organized by these organizations. Apart from this, we contribute to improve the infrastructure on transportation and Skill Development in the field.

PRINCIPLE 8: Inclusive Growth

1. **Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes. At Ashok Leyland, we care by demonstrating a purpose beyond profit and believe in making a meaningful change in the lives we touch. Our business priorities co-exist with social commitments to drive holistic development of communities. We have chosen education as our main-focus in our CSR initiatives. The primary objective of this initiative is to reach education to the remote areas of the group that we are working with and ensure that they get learning opportunities.

   We also focus on health, hygiene and wellbeing issues; as well as working with the local authorities in strengthening infrastructure requirements in the schools that we have chosen to work in remote areas. We have undertaken few other developmental initiatives around our manufacturing facilities that provide consistent support to educational, medical and charitable organizations.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

We work with various not-for-profit and non-governmental organizations to implement our CSR programmes. They serve as a catalyst to achieve our objectives of sustainable and inclusive development. We encourage all our employees to volunteer for CSR activities as this opportunity provides employees to look beyond their routine work and contribute towards the development of society.

3. **Have you done any impact assessment of your initiative?**

Yes, we do structured impact assessment of our initiatives that has been undertaken. The Company has positive feedback of its efforts from the community and environment.

For our Road to School initiative, we launched a customized Learning Enhancement and Practice (LEAP) content and worksheets for children in order to bridge learning gaps. During the pandemic year 2021-22, our focus was on foundational numeracy and literacy to mitigate learning loss during prolonged school closures. The content was aligned with the current syllabus of Tamil Nadu state. Impact assessment of the project was carried out by Madras School of Social work, a renowned social development institute in India. The results of the assessment indicate that our CSR initiative Road to School has met the intended commitments.

4. **What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?**

Total expenditure incurred during the year is ₹ 16.93 Crores. For details please refer to Annual Report 2021-22.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. The Road to school program has impacted the community by creating awareness on the value of education among the illiterate parents. Admissions have improved, dropout rates have decreased, transition from grade 5 to 6 and grade 8 to grade 9 has improved significantly indicating that communities have understood the significance of higher education for their children. During the pandemic related school closures, many parents from rural areas responded positively to digital learning by purchasing smart phones and data packs to support online learning. We created more than 450 online groups and 200 community learning center's to facilitate learning and reach out to 60,000 plus students.

PRINCIPLE 9: Customer Value

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

Customer complaints: Your Company focusses on delivering exceptional experiences for its customers through various customer centric initiatives. Your Company has best in class after sales service and hear our customers through various mediums such as 24X7 Call center toll free no, website, social media etc. We have a dedicated complaint management system to monitor and facilitate faster resolution of customer complaints. The customer complaints are being attended for restoration of vehicles and resolution of 94% issues within 2 days.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./Remarks (additional information)**

An Owner's Manual is provided to every customer on purchase of a vehicle. The manual contains information related to safety, operation and maintenance of the vehicle.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No such case pending as on 31st March 2022.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

We have several market and customer facing initiatives which ensures active communication and engagement, such as call centers, dealer showrooms, service centers and customer service camps etc. We also carry out regular surveys with the dealers/ customers. Customer Satisfaction Index (CSI) survey for FY22 will be conducted in FY23 and the results will be published by Q2 FY23.

INDEPENDENT AUDITORS' REPORT

Standalone

To the Members of Ashok Leyland Limited

Report on the Audit of the Standalone Ind AS financial statements

Opinion

1. We have audited the accompanying standalone Ind AS financial statements of Ashok Leyland Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 Ind AS financial statements, including a summary of significant accounting policies 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 Ind AS 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, 2022, 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 Ind AS 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 Ind AS 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 judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS 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
I. Impairment	
a. Carrying value of Investments in equity instruments of subsidiaries (excluding Optare Plc), joint ventures and associates (Refer to Note 1B.17, Note 1B.11 and Note 1C to the standalone Ind AS financial statements regarding the recognition, valuation and disclosure methods of equity instruments in subsidiaries, joint ventures and associates, 'Impairment Losses' and 'Critical accounting judgements and key sources of estimation uncertainty' respectively) In the standalone Ind AS financial statements of the Company, the gross carrying value of equity investments in subsidiaries, joint ventures and associates is ₹ 2,890.74 crores against which a cumulative provision for impairment of ₹ 499.20 crores is outstanding as at March 31, 2022. Determination of carrying value of investments is a key audit matter as the amounts are significant to the standalone Ind AS financial statements and 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 investments include future cash flows of the respective entities, the discount rate and the long-term growth rates used.	As part of our audit, our procedures included the following: • We obtained an understanding and assessed the design, implementation and operating effectiveness of management's relevant internal controls to identify whether there are any indicators of impairment and where such indicators exists, the method by which the recoverable amount is determined by the management. Specifically, we focused on management controls to conclude on the appropriateness of future cash flows (including terminal cash flow) and key assumptions used in arriving at the recoverable amount and fair value, as applicable. • We evaluated the following: - Terminal growth rate by comparing with the long-term outlook based on the relevant macroeconomic outlook 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 these with the actual results of earlier years to assess the appropriateness of forecast. - the competence, capabilities and objectivity of the management's expert involved in the valuation process.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
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b. Fair value of investment in other equity instruments

(Refer to Note 1B.17 and Note 1C to the standalone Ind AS financial statements regarding the recognition, valuation and disclosure methods of equity instruments in others’ and ‘Critical accounting judgements and key sources of estimation uncertainty’ respectively)

In the standalone Ind AS financial statements of the Company, equity investments in others is ₹ 109.66 crores valued at fair value on a recurring basis, and where no listed price in an active market is available.

The valuation of these other equity instruments is a key audit matter as the determination of fair value involves significant management judgement as no active market, observable inputs are available.

The key inputs and judgements involved in the model for fair value assessment of investments include future cash flows of the respective entities, the discount rate and the long-term growth rates used.

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- 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 Ind AS 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 investments in subsidiaries, joint venture, and associates; and that of fair value of investment in other equity instruments.

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c. Assessment of impairment loss provision reversal of investment in Optare PLC, UK, subsidiary of the Company

(Refer to Note 1B.17, Note 1B.11 and Note 1C to the standalone Ind AS financial statements regarding the recognition, valuation and disclosure methods of equity instruments in subsidiaries, joint ventures and associates, ‘Impairment Losses’ and ‘Critical accounting judgements and key sources of estimation uncertainty’ respectively)

The carrying amount of the Company’s investment in Optare PLC as at March 31, 2022 amounted to ₹ 931.58 crores. As set out in Note 3.25 to the standalone Ind AS financial statements, this is after considering the reversal of impairment loss provision amounting to ₹ 781.19 crores.

The fair value is mainly driven based on equity infusion by an external strategic investor in Optare PLC’s subsidiary and interest shown by potential investors. Further, the fair value is also supported by a valuation report from an independent valuer.

This is an area of focus for the audit due to the significance of the carrying value, the inherent judgements involved in performing an impairment assessment and reversal thereof of impairment loss provision based on internal and external source of information and the inherent uncertainty of the projections due to factors, both, locally and globally.

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As part of our audit, our procedures included the following:

- We obtained an understanding and assessed the design, implementation and operating effectiveness of management’s relevant internal controls over assessment of indicators for impairment loss provision reversal.
- We assessed (through an analysis of internal and external factors impacting the investment) the indicators of impairment loss provision reversal in line with Ind AS 36 “Impairment of Assets”.
- In relation to the impairment loss provision reversal, we considered:
  - The equity investment by an external investor in the step-down subsidiary of the Company.
  - Communications including non-binding offers by potential investors in the step-down subsidiaries of the Company.
  - Improved market outlook especially on account of growing demand for adoption of Electric vehicles.
  - Extensive internal restructuring relating to the company structure and management, such as onboarding experts as key managerial personnel and setting up of a new plant.
  - External valuation report by an independent valuer
- While evaluating the valuation model, we considered the following:
  - Board approved budgets considering growth based on industry reports and other cash flow projections provided by the Company’s management to assess the appropriateness of forecast.
  - Terminal growth rate by comparing with the long-term outlook based on the relevant macroeconomic outlook for the geography in which the entities are operating.
  - The competence, capabilities and objectivity of the management’s expert involved in the valuation process.
- We, along with the auditors’ expert, evaluated the appropriateness of the measurement model and reasonableness of key assumptions like terminal growth rate and discount rate.

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INDEPENDENT AUDITORS' REPORT

Key audit matter	How our audit addressed the key audit matter
	• 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. • Read the audit opinion of auditors of Optare Plc the 'component auditors' and the related memorandum of work performed and noted that there are no adverse or qualificatory comments relating to impairment loss provision reversal. • We evaluated the adequacy of the disclosures made in the standalone Ind AS financial statements. • Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in relation to the impairment loss provision reversal of investment in Optare Plc.

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 (i.e. Board's report, Report on Corporate Governance and Management Discussion and Analysis Report), but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

   In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone Ind AS 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 Ind AS 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS 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 Ind AS financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS financial statements.

9. 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 standalone Ind AS 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 Ind AS financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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 Ind AS 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.

    (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 Ind AS 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (g) 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 (as amended), 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 Ind AS financial statements – Refer Note 3.9 to the standalone Ind AS financial statements;

        ii. The Company was not required to recognise a provision as at March 31, 2022 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 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 on behalf of the Ultimate Beneficiaries (Refer Note 3.19 to the standalone Ind AS financial statements);

        (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, 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 (Refer Note 3.19 to the standalone Ind AS financial statements); 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.

15. Except for managerial remuneration aggregating to ₹ 17.81 crores, the managerial remuneration paid/ provided for by the Company is in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act. As stated in Note 3.8 to the standalone Ind AS financial statements, the Company will place the managerial remuneration paid/provided in excess of the limits before shareholders for their approval in the ensuing annual general meeting.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

A. J. Shaikh
Partner
Membership Number: 203637
UDIN : 22203637AJGWFN8986

Place: Chennai
Date: May 19, 2022

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 (f) of the Independent Auditors' Report of even date to the members of Ashok Leyland Limited on the standalone Ind AS financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Standalone 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, 2022 in conjunction with our audit of the standalone Ind AS 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 auditors' 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, 2022, 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
Chartered Accountants

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 22203637AJGWFN8986

Place: Chennai
Date: May 19, 2022

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 Ind AS financial statements as of and for the year ended March 31, 2022.

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 Ind AS 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
Toopran, Telangana-Freehold land	15.15	Telangana State Industrial Infrastructure Corporation Ltd	No	Refer Note 1 below	Refer Note 1.1 of the standalone Ind AS financial statement
Ennore, Tamil Nadu-Freehold land	81.00	Hinduja Foundries Limited	No	Refer Note 1 below	Refer Note 1.1 of the standalone Ind AS financial statements
Uppal, Telangana-Freehold land	123.00	Hinduja Foundries Limited	No	Refer Note 1 below	Refer Note 1.1 of the standalone Ind AS financial statements
Mallavalli, Andhra Pradesh- Freehold land	13.02	Agreement for sale is registered in the name of the Company. However, final conveyance deed is to be executed.	No	March 2018	Refer Note 1.1 of the standalone Ind AS financial statements
Sriperumbudur, Tamil Nadu-Leasehold land	11.47	Hinduja Foundries Limited	No	Refer Note 1 below	Refer Note 1.1A of the standalone Ind AS financial statements
Pillaipakkam, Tamil Nadu- Leasehold land	90.99	Ashok Leyland Nissan Vehicles Limited	No	Refer Note 2 below	Refer Note 1.1A of the standalone Ind AS financial statements
Bhandara, Maharashtra-Leasehold land	0.01	Ashok Leyland Limited (under regularisation)	No	May 1982	Refer Note 1.1A of the standalone Ind AS financial statements

Note 1- Hinduja Foundries Limited (amalgamating company) merged with the Company effective October 1, 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 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 its standalone Ind AS financial statements does not arise.

ii. (a) The physical verification of inventory excluding stocks with third parties 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. In respect of inventory lying with third parties, these have substantially been confirmed by them. 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.

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 Ind AS financial statements as of and for the year ended March 31, 2022.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks and financial institution on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks and financial institution, which are in agreement with the unaudited books of account. (Also refer note 3.6.1 to the standalone Ind AS financial statements).

iii. (a) The Company has made investments in two companies, and stood guarantee to two companies. 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	130.98	-	-	-
Joint Ventures	12.50	-	-	-
Associates	-	-	-	-
Others	-	-	-	-
Balance outstanding as at balance sheet date				
Subsidiaries	412.29	-	-	-
Joint Ventures	10.00	-	-	-
Associates	-	-	-	-
Others	-	-	-	-

(Also refer note 3.8 to the standalone Ind AS financial statements)

(b) In respect of the aforesaid investments and guarantees, the terms and conditions under which such investments were made and guarantees provided are not prejudicial to the Company's interest.

(c) The Company has not granted any loans or advances in nature of loans during the year. Accordingly, the reporting under Clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted any loans or advances in nature of loans during the year. Accordingly, the reporting under Clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advances in nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans or advances in nature of loan.

(f) There were no loans or advances in nature of loans which were granted during the year, including to promoters or related parties.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 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 from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

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 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) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 3.9 to the standalone Ind AS financial statements regarding management's assessment on certain matters relating to provident fund.

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 Ind AS financial statements as of and for the year ended March 31, 2022.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of Dues	Amount (in ₹ crores)	Period to which the amount relates	Forum where the dispute is pending
State and Central Sales Tax Act	Sales tax and Value added Tax	112.25	Various periods from 1985 - 2018	Appellate Authority - upto Commissioner Level
		147.31	Various periods from 1987 - 2017	Appellate Authority - Tribunal
		1.09	Various periods from 2006 - 2011	High Court
Central Excise Act, 1944	Excise duty and Cess thereon	4.02	Various periods from 2006 – 2016	Appellate Authority - upto Commissioner Level
		5.2	Various periods from 1996 – 2018	Appellate Authority - Tribunal
		0.03	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	55.88	Various periods from 2007 – 2016	Appellate Authority - Tribunal
		52.89	Various periods from 2005 - 2017	Appellate Authority - upto Commissioner Level
Goods and Services Tax	Goods and Services Tax	14.20	Various periods from 2017 - 2020	Appellate Authority - upto Commissioner Level
The Income Tax Act, 1961	Income Tax	-#	AY 2013-14	Commissioner of Income-tax (Appeals)
The Income Tax Act, 1961	Income Tax	12.03	AY 2015-16	Commissioner of Income-tax (Appeals)
The Income Tax Act, 1961	Income Tax	0.15*	AY 2017-18	Commissioner of Income-tax (Appeals)
The Income Tax Act, 1961	Income Tax	-*	AY 2018-19	Commissioner of Income-tax (Appeals)

*Disputed amount considered above is net of ₹ 21,250 and ₹ 5.92 crores paid under protest for AY 2017-18 and AY 2018-19 respectively.

Disputed amount considered above is net of refund adjusted against earlier year amounting to ₹ 0.04 crores.

viii. According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender as at the balance sheet date.

(b) According to the information and explanations given to us and 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) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 1.17 to the standalone Ind AS financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone Ind AS 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) According to the information and explanations given to us and 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.

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 Ind AS financial statements as of and for the year ended March 31, 2022.

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 are 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 are 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, and according to the information and explanations given to us, except for an instance of fund misappropriation aggregating to ₹ 7.07 crores and for which the Management has taken appropriate steps and have recovered the amount, 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 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, and according to the information and explanations given to us, 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 are 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, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year which have been considered by us for any bearing on our audit and reporting

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 are 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 such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, 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. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting under Clause 3(xv) of the Order are 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 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 (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 3.17 to the standalone Ind AS financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone Ind AS 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 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.

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 Ind AS financial statements as of and for the year ended March 31, 2022.

xx. (a) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of section 135 of the Act in respect of other than ongoing projects pertaining to the previous financial year, to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the Act. Details are as given below:

₹ crores

Financial year	Amount to be spent in accordance with section 135(5)	Amount remaining unspent as at the year-end to be transferred to fund under Schedule VII	Amount transferred to Fund under Schedule VII, within 6 months from end of financial year (or till the date of audit report, if that is earlier)	Amount transferred to Fund under Schedule VII, after 6 months from end of financial year (till the date of audit report)	Amount not transferred to Fund under Schedule VII, till the date of audit report
(a)	(b)	(c)	(d)	(e)	(f)
FY 20-21	34.27	0.17	0.17	-	-

(Also refer note 3.15 to the standalone Ind AS financial statements)

The Company has not transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act in respect of "other than ongoing projects" pertaining to the current financial year to a Fund specified in Schedule VII to the Act until the date of our report. However, the time period for such transfer, i.e., six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of Section 135 of the Act has not elapsed until the date of our report. Details are as given below:

Financial year	Amount to be spent in accordance with section 135(5)	Amount remaining unspent as at the year-end to be transferred to fund under Schedule VII	Amount transferred to Fund under Schedule VII, within 6 months from end of financial year (or till the date of audit report, if that is earlier)	Amount transferred to Fund under Schedule VII, after 6 months from end of financial year (till the date of audit report)	Amount not transferred to Fund under Schedule VII, till the date of audit report
(a)	(b)	(c)	(d)	(e)	(f)
FY 21-22	17.34	0.09	-	-	0.09

(Also refer note 3.15 to the standalone Ind AS financial statements)

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 Ind AS financial statements as of and for the year ended March 31, 2022.

(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of section 135 of the Act in pursuant to ongoing projects, to a special account in compliance with the provision of sub-section (6) of section 135 of the Act. (Also refer note 3.15 to the standalone Ind AS financial statements)

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Ind AS 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
Chartered Accountants

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 22203637AJGWFN8986

Place: Chennai
Date: May 19, 2022

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	4,977.12	5,309.66
Capital work-in-progress	1.1	111.11	228.78
Right-of-use asset	1.1A	296.58	289.54
Goodwill		449.90	449.90
Other intangible assets	1.2	877.30	1,001.29
Intangible assets under development	1.2	83.16	143.07
Financial assets			
(i) Investments	1.3	3,521.58	3,068.72
(ii) Trade receivables	1.4	0.03	0.31
(iii) Other financial assets	1.5	68.63	57.54
Income tax assets (net)	1.6A	88.75	100.26
Other non-current assets	1.7	337.81	349.31
		10,811.97	**10,998.38**
Current assets			
Inventories	1.8	2,075.20	2,142.29
Financial assets			
(i) Investments	1.9	1,298.05	-
(ii) Trade receivables	1.10	3,111.02	2,816.00
(iii) Cash and cash equivalents	1.11A	994.25	530.13
(iv) Bank balances other than (iii) above	1.11B	52.71	292.82
(v) Loans	1.12	-	4.29
(vi) Other financial assets	1.13	995.58	825.14
Other current assets	1.14	931.37	840.86
		9,458.18	**7,451.53**
Asset classified as held for sale	1.5A	63.63	-
TOTAL ASSETS		**20,333.78**	**18,449.91**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1.15	293.55	293.55
Other equity	1.16	7,043.35	6,683.65
		7,336.90	**6,977.20**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1.17	2,850.61	2,558.01
(ii) Lease Liabilities		34.42	22.12
(iii) Other financial liabilities	1.18	29.41	44.88
Contract liabilities	1.19	190.58	213.50
Provisions	1.20	200.21	189.57
Deferred tax liabilities (net)	1.21	144.36	170.79
		3,449.59	**3,198.87**
Current liabilities			
Financial liabilities			
(i) Borrowings	1.22	656.49	1,170.74
(ii) Lease Liabilities		12.36	7.94
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	1.23	59.84	37.18
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,815.39	5,127.51
(iv) Other financial liabilities	1.24	699.73	771.93
Contract liabilities	1.25	416.20	479.43
Provisions	1.26	470.25	464.96
Other current liabilities	1.27	281.78	160.70
Current tax liabilities (net)	1.6B	123.47	53.45
		9,535.51	**8,273.84**
Liabilities directly associated with assets classified as held for sale	1.5B	11.78	-
TOTAL EQUITY AND LIABILITIES		**20,333.78**	**18,449.91**

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
Chartered Accountants

A.J. Shaikh
Partner
Membership Number - 203637

May 19, 2022
Chennai

For and on behalf of the Board of the Directors

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN : 01746102

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

N. Ramanathan
Company Secretary

May 19, 2022
Chennai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
		₹ Crores	₹ Crores
Income			
Revenue from operations	2.1	21,688.29	15,301.45
Other income	2.2	76.13	119.50
Total Income		**21,764.42**	**15,420.95**
Expenses			
Cost of materials and services consumed		15,913.16	11,118.96
Purchases of stock-in-trade		896.90	746.66
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.3	(48.99)	(462.31)
		16,761.07	**11,403.31**
Employee benefits expense	2.4	1,694.60	1,583.89
Finance costs	2.5	301.11	306.79
Depreciation and amortisation expense	2.6	752.76	747.71
Other expenses	2.7	2,238.10	1,779.11
Total Expenses		**21,747.64**	**15,820.81**
Profit / (Loss) before exceptional items and tax		16.78	(399.86)
Exceptional items	2.8	510.83	(12.05)
Profit / (Loss) before tax		**527.61**	**(411.91)**
Tax expense:			
Current tax - Charge		10.11	0.02
Deferred tax - Credit		(24.33)	(98.25)
		(14.22)	**(98.23)**
Profit / (Loss) for the year		**541.83**	**(313.68)**
Other Comprehensive (Loss) / Income			
A (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		(41.00)	8.28
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		14.33	(2.89)
B (i) Items that will be reclassified to Profit or Loss			
- Effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge		34.99	3.81
(ii) Income tax relating to items that will be reclassified to Profit or Loss		(12.23)	(1.33)
Total Other Comprehensive (Loss) / Income		**(3.91)**	**7.87**
Total Comprehensive Income / (Loss) for the year		**537.92**	**(305.81)**
Earnings / (Loss) per share (Face value ₹ 1 each)	3.3		
- Basic (in ₹)		1.85	(1.07)
- Diluted (in ₹)		1.84	(1.07)

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
Chartered Accountants

A.J. Shaikh
Partner
Membership Number - 203637

May 19, 2022
Chennai

For and on behalf of the Board of the Directors

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN : 01746102

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

N. Ramanathan
Company Secretary

May 19, 2022
Chennai

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
		₹ Crores	₹ Crores
Cash flow from operating activities			
Profit / (Loss) for the year		**541.83**	**(313.68)**
Adjustments for :			
Income tax credit		(14.22)	(98.23)
Depreciation and amortisation expense		736.66	728.56
Depreciation of Right-of-use asset		16.10	19.15
Share based payment cost		(2.09)	19.02
Impairment / (Reversal of) loss allowance, write off on trade receivable / other receivable (net)		(5.38)	63.75
Impairment (reversal) / loss in the value of equity instruments in subsidiaries (net)		(537.83)	11.74
Loss on fair valuation of investment		107.13	-
Reversal of provision for obligation		(33.26)	-
Obligation relating to discontinued products of LCV division (net of reversal)		3.67	(78.76)
Reversal of provision relating to long term investment		(1.17)	-
Foreign exchange gain		(4.83)	(22.06)
Exchange loss on swap contracts		17.10	23.94
Profit on sale of Property, plant and equipment (PPE) and intangible assets - net		(3.02)	(9.58)
Profit on sale of Immovable Property		-	(6.92)
Profit (net) in relation to EV and related expenses		(104.96)	-
Provision relating to EMAAS business classified as asset held for sale		26.84	-
Profit on sale of investments - net		(13.31)	(6.91)
Net (gain) / loss arising on financial asset mandatorily measured at FVTPL		(2.36)	6.85
Finance costs		301.11	306.79
Interest income		(21.91)	(94.29)
Dividend income		(0.07)	(0.19)
Gain on preclosure of leases		(0.14)	(0.10)
Operating profit before working capital changes		**1,005.89**	**549.08**
Adjustments for changes in :			
Trade receivables		(291.60)	(1,702.47)
Inventories		20.85	(904.29)
Other non-current and current financial assets		160.21	40.74
Other non-current and current assets		(97.40)	8.49
Payment to escrow account		(9.59)	(0.75)
Related party advances / receivables (net)		(2.80)	0.20
Trade payables		1,732.00	2,132.81
Non-current and current financial liabilities		(5.93)	(9.75)
Contract liabilities		(80.83)	(168.15)
Other current liabilities		98.68	76.16
Other non-current and current provisions		46.03	(78.82)
Cash from / (used in) operations		**2,575.51**	**(56.75)**
Income tax refund received (net)		71.42	77.88
Net cash from operating activities	**[A]**	**2,646.93**	**21.13**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
		₹ Crores	₹ Crores
Cash flow from investing activities			
Purchase of PPE and intangible assets		(400.02)	(656.08)
Proceeds on sale of PPE and intangible assets including sale of immovable properties		6.70	39.51
Proceeds on surrender of Leasehold land		97.61	-
Purchase of non-current investments		(16.50)	(367.68)
Sale proceeds of non-current investments		0.07	-
(Purchase) / Proceeds from sale of current investments (net)		(1,283.82)	6.91
Inter corporate deposits - repaid		-	500.00
Investment in bank deposits		(650.00)	(600.00)
Proceeds from bank deposits		750.00	-
Redemption of escrow account		2.82	-
Interest received		34.16	101.96
Dividend received		0.07	0.19
Net cash used in investing activities	**[B]**	**(1,458.91)**	**(975.19)**
Cash flow from financing activities			
Proceeds from non-current borrowings		650.00	1,250.88
Repayments of non-current borrowings		(12.50)	(212.65)
Proceeds from current borrowings		4,624.41	5,625.79
Repayments of current borrowings		(5,518.68)	(6,173.92)
Payments of Lease liability		(15.32)	(12.15)
Interest paid		(275.54)	(271.98)
Dividend paid		(176.13)	-
Net cash (used in) / from financing activities	**[C]**	**(723.76)**	**205.97**
Net cash inflow / (Outflow)	**[A+B+C]**	**464.26**	**(748.09)**
Opening cash and cash equivalents		530.13	1,279.04
Exchange fluctuation on foreign currency bank balances		(0.14)	(0.82)
Closing cash and cash equivalents [Refer Note 1.11A to the standalone financial statements]		**994.25**	**530.13**

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
Chartered Accountants

A.J. Shaikh
Partner
Membership Number - 203637

May 19, 2022
Chennai

For and on behalf of the Board of the Directors

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN : 01746102

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

N. Ramanathan
Company Secretary

May 19, 2022
Chennai

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

₹ Crores

Balance at the beginning of April 1, 2020	Changes in equity share capital during the year	Balance at the end of March 31, 2021	Changes in equity share capital during the year	Balance at the end of March 31, 2022
293.55	-	293.55	-	293.55

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 beginnig of April 1, 2020	**263.87**	**1,908.75**	**3.33**	**23.19**	**1,018.33**	**3,768.20**	**(15.23)**	**6,970.44**
(Loss) for the year	-	-	-	-	-	(313.68)	-	(313.68)
Other comprehensive income	-	-	-	-	-	5.39	2.48	7.87
Total Comprehensive (Loss) / Income for the year	**-**	**-**	**-**	**-**	**-**	**(308.29)**	**2.48**	**(305.81)**
Transactions with owners:								
Recognition of share based payments	-	-	-	19.02	-	-	-	19.02
Balance as at the end of March 31, 2021	**263.87**	**1,908.75**	**3.33**	**42.21**	**1,018.33**	**3,459.91**	**(12.75)**	**6,683.65**
Profit for the year	-	-	-	-	-	541.83	-	541.83
Other comprehensive (loss) / income	-	-	-	-	-	(26.67)	22.76	(3.91)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**515.16**	**22.76**	**537.92**
Transactions with owners:								
Dividends including tax thereon	-	-	-	-	-	(176.13)	-	(176.13)
Transfer to general reserve pursuant to lapse of ESOP	-	-	-	(2.22)	2.22	-	-	-
(Reversal) / Recognition of share based payments	-	-	-	(2.09)	-	-	-	(2.09)
Balance as at the end of March 31, 2022	**263.87**	**1,908.75**	**3.33**	**37.90**	**1,020.55**	**3,798.94**	**10.01**	**7,043.35**

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
Chartered Accountants

A.J. Shaikh
Partner
Membership Number - 203637

May 19, 2022
Chennai

For and on behalf of the Board of the Directors

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN : 01746102

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

N. Ramanathan
Company Secretary

May 19, 2022
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. Significant Accounting Policies

1B.1 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 (₹) 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 19, 2022.

Recent accounting pronouncements

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Schedule III Amendment applicable from April 1, 2021: On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The Company has prepared the financial statements in accordance with the said schedule.

The significant accounting policies are detailed below.

1B.2 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. 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 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., warranties, freight & insurance 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 is 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 warranty services, free services, AMC and freight and insurance 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 1B.14 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.

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.

1B.3 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 1B.17 below for hedging accounting policies).

1B.4 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.

1B.5 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.

1B.6 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.

1B.7 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.

1B.8 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.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1B.9 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.

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.

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.

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 realiably.

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. 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.

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	5 / 10	8
- Cars and motorcycles	3	8 / 10
Office equipment	8	5
Office equipment – Data processing system (including servers)	5	6

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.

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.

1B.10 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. 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.

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.

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.

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

1B.11 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.

1B.12 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.

1B.13 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.

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.

Cost of surplus / obsolete / slow moving inventories are adequately provided for.

1B.14 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.

1B.15 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.

1B.16 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.

1B.17 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 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.

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 hedging 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.

1B.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.

1B.19 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.

1B.20 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.

1C. 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 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.

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 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 3.17. 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 and 3.25.

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)	01.04.2021	Additions	Disposals	Reclassified as held for sale (Refer Note 1.5A)	31.03.2022	01.04.2021	Charge during the year	Disposals	Reclassified as assets held for sale (Refer Note 1.5A)	31.03.2022	31.03.2022
Freehold land	732.18	0.22	15.15	-	717.25	-	-	-	-	-	717.25
Buildings	1,770.67	33.06	10.61	0.98	1,792.14	358.68	72.60	10.58	0.09	420.61	1,371.53
Buildings given on lease	13.24	-	-	-	13.24	1.50	0.29	-	-	1.79	11.45
Plant and equipment	5,249.20	294.43	19.62	0.41	5,523.60	2,295.93	450.80	11.50	0.03	2,735.20	2,788.40
Plant and equipment given on lease	0.03	-	-	-	0.03	0.01	#	-	-	0.01	0.02
Furniture and fittings	73.63	0.35	0.54	0.12	73.32	48.85	4.96	0.20	0.03	53.58	19.74
Furniture and fittings given on lease	0.25	-	-	-	0.25	0.25	-	-	-	0.25	-
Vehicles including electric vehicles	144.95	0.25	2.37	84.93	57.90	57.96	16.20	1.93	17.78	54.45	3.45
Aircraft given on lease	77.99	-	-	-	77.99	44.43	9.74	-	-	54.17	23.82
Office equipment	170.36	7.42	3.90	0.06	173.82	115.23	20.62	3.48	0.01	132.36	41.46
Total	**8,232.50**	**335.73**	**52.19**	**86.50**	**8,429.54**	**2,922.84**	**575.21**	**27.69**	**17.94**	**3,452.42**	**4,977.12**

Description	01.04.2021	Additions / Adjustment	Capitalised during the year	Reclassified as assets held for sale (Refer Note 1.5A)	31.03.2022
Capital work-in-progress (CWIP)	228.78	218.87	335.73	0.81	111.11

amount is below rounding off norms adopted by the Company.

CWIP Ageing Schedule

₹ Crores

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	97.27	2.29	2.22	9.33	111.11

Of the above there are no Projects where the cost has exceeded the budget. Projects where completion 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
Projects relating to certain facilities / Infrastructure development	10.54	-	-	-	10.54

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 fulfillment 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, 2022 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 ₹ 217.76 crores and ₹ 191.20 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)	01.04.2020	Additions	Disposals / Adjustment	31.03.2021	01.04.2020	Charge during the year	Disposals / Adjustment	31.03.2021	31.03.2021
Freehold land	732.18	-	-	732.18	-	-	-	-	732.18
Buildings	1,599.20	177.70	6.23	1,770.67	283.97	77.76	3.05	358.68	1,411.99
Buildings given on lease	13.23	0.01	-	13.24	1.21	0.29	-	1.50	11.74
Plant and equipment	4,661.07	632.59	44.46	5,249.20	1,897.04	428.07	29.18	2,295.93	2,953.27
Plant and equipment given on lease	0.03	-	-	0.03	0.01	#	-	0.01	0.02
Furniture and fittings	72.30	2.22	0.89	73.63	43.01	6.52	0.68	48.85	24.78
Furniture and fittings given on lease	0.25	-	-	0.25	0.25	-	-	0.25	-
Vehicles	118.40	32.23	5.68	144.95	47.79	14.51	4.34	57.96	86.99
Aircraft given on lease	77.99	-	-	77.99	34.68	9.75	-	44.43	33.56
Office equipment	161.69	9.12	0.45	170.36	91.72	23.92	0.41	115.23	55.13
Total	**7,436.34**	**853.87**	**57.71**	**8,232.50**	**2,399.68**	**560.82**	**37.66**	**2,922.84**	**5,309.66**

Description	01.04.2020	Additions / Adjustments	Capitalised during the year*	31.03.2021
Capital work-in-progress (CWIP)	420.97	631.74	823.93	228.78

* Amount of 29.94 crores directly capitalised in Property, plant and equipment.

amount is below rounding off norms adopted by the Company.

CWIP Ageing Schedule

₹ Crores

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	167.85	33.37	18.81	8.75	228.78

There are no Projects where the cost has exceeded the budget and where completion is delayed as these are ongoing projects.

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 6)	Reason for not in the name of the Company	Property in the name of
Toopran, Telangana	Freehold Land	Automotive Park, Toopran, Kallakal (V), Toopran (Mandal) Medak District, Telangana	60.00	15.15	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.	The Land was surrendered and handed over to the Authority by the Company during the year ended March 31, 2022.
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 fulfillment of the certain conditions by the Company.	Agreement for sale registerd in the name of the Company. Final Conveyance deed is to be executed.

Notes:

1. Cost of Buildings as at March 31, 2021 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 ₹ 5.08 crores - Refer Notes 2.4, 2.5 and 2.7 to the standalone financial statements.
5. During the year, the Company has commissioned a manufacturing plant at Mallavalli, Andhra Pradesh and an amount of ₹ 120.62 crores has been included in additions to Property, plant and equipment.
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 Company amounts to ₹ 217.93 crores and ₹ 190.52 crores respectively.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.1A RIGHT-OF-USE ASSET

₹ Crores

Description	Net Carrying Amount 01.04.2021	Additions	Closure / Pre closure	Reclassified as Held for sale (Refer Note 1.5A)	Depreciation	Net Carrying Amount 31.03.2022
Leasehold Land	259.98	-	-	-	3.13	256.85
Building	21.71	13.34	0.99	-	8.38	25.68
Plant and equipment	7.47	-	-	-	1.01	6.46
Vehicle	0.38	16.66	-	5.87	3.58	7.59
Total	**289.54**	**30.00**	**0.99**	**5.87**	**16.10**	**296.58**

Title deeds of Leasehold land not held in the name of the Company

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	10.77	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	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	210.00	90.99	87.16	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 leasehold 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)

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%.
3. Rental amount per annum ranges from ₹ 0.01 crores to ₹ 1.36 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.

1.1A RIGHT-OF-USE ASSET

₹ Crores

Description	Net Carrying Amount 01.04.2020	Additions	Closure / Pre closure	Depreciation	Net Carrying Amount 31.03.2021
Leasehold Land *	366.21	-	99.59	6.64	259.98
Building	31.76	3.61	3.25	10.41	21.71
Plant and equipment	6.89	1.58	-	1.00	7.47
Vehicle	1.60	0.04	0.16	1.10	0.38
Total	**406.46**	**5.23**	**103.00**	**19.15**	**289.54**

* A portion of leasehold land allotted by State Industries Promotion Corporation of Tamil Nadu (SIPCOT), taken over by the Company pursuant to amalgamation, was surrendered subsequent to the date of balance sheet (March 31, 2021) and the same is classified as receivable from government authorities under other current financial asset (Refer Note 1.13).

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 6)	Net carrying value (Also Refer Note 1.1 Sub-Note 6)	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	10.91	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	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	210.00	90.99	88.13	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 leasehold 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)

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%.
3. Rental amount per annum ranges from ₹ 0.01 crores to ₹ 1.36 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.

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				AMORTISATION				NET CARRYING AMOUNT
Other intangible assets	01.04.2021	Additions	Disposals	31.03.2022	01.04.2021	Charge during the year	Disposals	31.03.2022	31.03.2022
Computer software									
- Developed	114.21	-	10.83	103.38	88.82	15.44	4.15	100.11	3.27
- Acquired	130.18	4.39	5.42	129.15	99.98	14.17	4.34	109.81	19.34
Technical knowhow									
- Developed*	1,300.79	146.82	133.12	1,314.49	389.50	123.74	27.13	486.11	828.38
- Acquired	40.48	-	-	40.48	6.07	8.10	-	14.17	26.31
Total	**1,585.66**	**151.21**	**149.37**	**1,587.50**	**584.37**	**161.45**	**35.62**	**710.20**	**877.30**

* Refer Sub-Note 5 of Note 1.13 to the standalone financial statements

Description	01.04.2021	Additions / Adjustments	Capitalised during the year	31.03.2022
Intangible assets under development (IAUD)	143.07	91.30	151.21	83.16

Ageing of Intangible assets under development

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	38.69	12.94	19.77	11.76	83.16

Of the above there are no projects where the cost has exceeded the budget. Projects whose completion 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
Projects relating to Technical knowhow - Product development	54.80	-	-	-	54.80

Notes:

1. Additions to other intangible assets and Intangible assets under development include:

   Expenses capitalised ₹87.60 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	01.04.2020	Additions	Disposals	31.03.2021	01.04.2020	Charge during the year	Disposals	31.03.2021	31.03.2021
Computer software									
- Developed	114.21	-	-	114.21	70.33	18.49	-	88.82	25.39
- Acquired	126.64	3.54	-	130.18	82.85	17.13	-	99.98	30.20
Technical knowhow									
- Developed	1,086.33	214.46	-	1,300.79	263.45	126.05	-	389.50	911.29
- Acquired	-	40.48	-	40.48	-	6.07	-	6.07	34.41
Total	**1,327.18**	**258.48**	**-**	**1,585.66**	**416.63**	**167.74**	**-**	**584.37**	**1,001.29**

Description	01.04.2020	Additions / Adjustments	Capitalised during the year*	31.03.2021
Intangible assets under development (IAUD)	173.17	187.90	218.00	143.07

* Amount of ₹ 40.48 crores directly capitalised in other intangible assets.

Ageing of Intangible assets under development

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	83.15	42.43	17.39	0.10	143.07

Of the above there are no projects where the cost has exceeded the budget. Projects whose completion 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
Projects relating to Technical knowhow - Product development	123.62	-	-	-	123.62

Notes:

1. Additions to Other intangible assets and Intangible assets under development include:

   Expenses capitalised ₹ 184.35 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, 2022		As at March 31, 2021	
	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	2,22,76,290	21.28	1,82,76,290	17.28
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 10)	32,32,46,338	1,931.16	32,32,46,338	1,931.16
Hinduja Tech Limited (Refer Sub-Note 3 and 5)	15,39,50,000	167.57	15,39,50,000	167.57
b) Equity Shares of ₹ 10 each partly paid up				
Vishwa Buses and Coaches Limited (₹ 5.50 each paid up)	6,00,00,000	33.00	6,00,00,000	33.00
c) Equity Shares of ₹100 each				
Gulf Ashley Motor Limited (Refer Sub-Note 3)	27,66,428	27.94	27,66,428	27.94
d) Equity Shares				
Optare Plc (Refer Sub-Note 3)				
Ordinary shares of British Pence 0.1 each	88,15,37,04,162	931.58	88,15,37,04,162	931.58
Deferred shares of British Pence 0.9 each	19,55,57,828	-	19,55,57,828	-
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 and 9)	5,24,95,000	460.09	5,19,95,000	455.79
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)	50,27,567	5.03	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	7,34,47,693	44.01
Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)	17,27,270	1.73	17,27,270	1.73
GRO Digital Platforms Limited	1,00,00,000	10.00	-	-
Sub Total		**3,822.32**		**3,801.52**
Less: Impairment in Value of Investments				
Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)		1.73		1.73
Ashley Aviation Limited		21.28		17.28
Optare Plc (Refer Note 3.25)		-		781.19
Albonair GmbH (Refer Sub-Note 11)		460.09		220.73
Albonair (India) Private Limited		12.34		12.34
Ashok Leyland (Chile) S.A.		3.76		3.76
Aggregate of Impairment in Value of Investments		**499.20**		**1,037.03**
Sub Total		**3,323.12**		**2,764.49**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

DESCRIPTION	As at March 31, 2022		As at March 31, 2021	
	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 11)	6,11,47,058	81.33	6,11,47,058	188.46
OPG Power Generation Private Limited	-	-	65,000	0.07
Kamachi Industries Limited	5,25,000	0.53	5,25,000	0.53
ARS Energy Private Limited	640	0.01	640	0.01
Prathama Solarconnect Energy Private Limited	1,86,56,912	18.67	1,86,56,912	18.67
b) **Equity shares of ₹ 100 each partly paid-up**				
Adyar Property Holding Co. Limited (₹ 65 paid up) [Cost ₹ 19,500]	300	#	300	#
Sub Total		**109.66**		**216.86**
Total Investments in Equity Instruments (net)		**3,432.78**		**2,981.35**
B) **Investments in Preference Shares (At Fair value through profit or loss) (unquoted)**				
1) **Subsidiary**				
Ashok Leyland (UAE) LLC 6% Non-Cumulative Non-Convertible Redeemable Preference shares of AED. 1,000 each	23,000	44.17	23,000	36.36
Ashley Aviation Limited 6% Non-Cumulative Redeemable Non-Convertible Preference shares of ₹ 10 each	40,00,000	0.07	40,00,000	0.07
6% Cumulative Redeemable Non-Convertible Preference shares of ₹10 each	18,00,000	#	18,00,000	#
Hinduja Tech Limited 1% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹10 each	2,39,00,000	16.11	2,39,00,000	22.65
2) **Associates**				
Ashok Leyland Defence Systems Limited 6% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 10 each	1,00,00,000	6.89	1,00,00,000	6.73
Total Investments in Preference Shares		**67.24**		**65.81**
C) **Investment in Special Limited Partnership (At Fair value through profit or loss)**				
Vasuki SCSp (Refer Sub-Note 7)		21.56		21.56
		21.56		**21.56**
Total		**3,521.58**		**3,068.72**
# amount is below rounding off norms adopted by the Company.				

Notes:

1. Particulars	March 31, 2022	March 31, 2021
	₹ Crores	₹ Crores
Aggregate value of unquoted investments	4,020.21	4,105.18
Aggregate value of quoted investments	0.57	0.57
Aggregate value of impairment in value of investments	499.20	1,037.03

2. Investments are fully paid-up unless otherwise stated.
3. The equity investments in a joint venture 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.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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. The Company has acquired the balance 38% stake in Hinduja Tech Limited during the year 2020-21.
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, loan outstanding from Albonair GmbH, a subsidiary of the Company, has been converted to investment in equity shares amounting to ₹ 4.30 crores.
10. The Board of Directors of Hinduja Leyland Finance Limited, a subsidiary of the Company, at their meeting held on March 16, 2022, accorded an in-principal approval for the proposed merger of Hinduja Leyland Finance Limited into NXT DIGITAL Limited, listed entity in India, subject to all applicable statutory and regulatory approvals.
11. For the year ended March 31, 2022, the Company has recorded a loss on fair valuation of equity investment in Hinduja Energy (India) Limited (HEIL) amounting to ₹ 107.13 crores under exceptional item based on business plan of HEIL and the independent valuers report. The Company has recorded an impairment loss on equity investment in its subsidiary viz Albonair GmbH (Cash Generating Unit (CGU)) amounting to ₹ 239.36 crores based on future Business Plan, internal and external factors and the independent valuers report. The Company has used discounted cash flow method for arriving at the value in use of the CGU. The discounted cash flow method uses post tax discount rate ranging between 10%-20% for current and previous year for the aforementioned entities. Both pre tax discount rate and post tax discount rate gives the same recoverable amount.

		As at March 31, 2022	As at March 31, 2021
		₹ Crores	₹ Crores
1.4	**NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**		
	(Unsecured, considered good)		
	Trade receivables		
	Related parties (Refer Note 3.8)	0.03	0.31
		0.03	**0.31**

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, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.5	**NON-CURRENT - OTHER FINANCIAL ASSETS**		
	(Unsecured, considered good unless otherwise stated)		
	a) Other receivables *		
	Considered good	-	3.64
	Considered doubtful	3.99	4.34
	Less: Allowance for doubtful receivables	3.99	4.34
		-	**3.64**
	b) Derivatives designated as hedging instruments carried at fair value	26.69	18.10
	c) Others		
	i. Employee advances	2.13	1.13
	ii. Others (includes refund receivable, etc)	14.17	14.17
		16.30	**15.30**
	d) Security deposits		
	Considered good	25.64	20.50
	Considered doubtful	0.23	-
	Less: Allowance for doubtful receivables	0.23	-
		25.64	**20.50**
		68.63	**57.54**
	Of the Employee advances above,		
	Due from Officers #	0.00	0.00

* includes receivable on sale of windmill undertaking of the Company.
# amount is below rounding off norms adopted by 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 receivables is as follows:

Particulars	March 2022	March 2021
Opening	4.34	4.34
Add: Additions	-	-
Less: Utilisations / Reversals	0.35	-
Closing	3.99	4.34

3. Movement in allowance for doubtful security deposits is as follows:

Particulars	March 2022	March 2021
Opening	-	-
Add: Additions	0.23	-
Less: Utilisations / Reversals	-	-
Closing	0.23	-

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ 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 EMAAS business) (Refer Notes 1.1 and 1.2)	42.53	-
	Right-of-use asset (Refer Note 1.1A)	5.87	-
	Non-current and current financial assets (includes trade and other receivables, etc.)	11.74	-
	Non-current and current assets	0.66	-
	Inventories	2.83	-
		63.63	**-**

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.5B	**LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE**		
	Non-current and current financial liabilities (includes trade and other payables, etc.)	9.90	-
	Non-current and current liabilities (includes contract liabilities, etc.)	1.74	-
	Non-current and current provision (includes provision for employee benefits)	0.14	-
		11.78	**-**

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 to Ohm Global Mobility Private Limited (Fellow subsidiary of the Company) with effect from October 1, 2021. The Company has since received the regulatory approvals and accordingly classified the associated assets and liabilities as "Held for sale". The provision relating to EMAAS business classified as assets held for sale is shown under note 2.8. The transfer of business will be consummated on receipt of certain other approvals expected within next 12 months.

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

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.6A	**NON-CURRENT - INCOME TAX ASSETS (NET)**		
	Advance income tax (net of provision)	88.75	100.26
		88.75	**100.26**

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.6B	**CURRENT TAX LIABILITIES (NET)**		
	Provision for taxation (net of advance tax)	123.47	53.45
		123.47	**53.45**

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.7 OTHER NON-CURRENT ASSETS		
(Unsecured, considered good unless otherwise stated)		
a) Capital advances		
Advances to related parties (Refer Note 3.8)		
Considered good	-	0.11
Others		
Considered good	46.98	38.02
Considered doubtful	0.82	1.91
Less: Allowance for doubtful advances	0.82	1.91
	46.98	**38.13**
b) Balances with Government Authorities - Goods and Services, customs, port trust, central excise, etc. (including paid under protest)		
Considered good	8.34	12.56
Considered doubtful	2.90	-
Less: Allowance for doubtful balances	2.90	-
	8.34	**12.56**
c) Others		
i. Sales tax paid (including paid under protest)	207.41	210.18
ii. Other advances (includes prepaid expenses, etc.)	75.08	88.44
	282.49	**298.62**
	337.81	**349.31**

Notes :

1. Movement in allowance for doubtful advances towards capital advances is as follows:

Particulars	March 2022	March 2021
Opening	1.91	2.57
Add: Additions	-	-
Less: Utilisations / Reversals	1.09	0.66
Closing	0.82	1.91

2. Movement in allowance for doubtful balances towards balances with Government Authorities - Goods and Services, customs, port trust, central excise, etc. is as follows:

Particulars	March 2022	March 2021
Opening	-	-
Add: Reclassification	2.90	-
Less: Utilisations	-	-
Closing	2.90	-

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.8	**INVENTORIES**		
	(a) Raw materials and components	894.86	1,011.51
	(b) Work-in-progress	266.75	292.95
	(c) Finished goods	602.79	573.88
	(d) Stock-in-trade		
	Spare parts and auto components (including works made)	220.46	174.18
	(e) Stores, spares and consumable tools	90.34	89.77
		2,075.20	**2,142.29**

Notes:

1. Goods-in-transit included above are as below :

Particulars	March 2022	March 2021
(a) Raw materials and components	9.65	27.50
(b) Stock-in-trade		
Spares parts and auto components (including works made)	#	0.70

2. Cost of inventories (including cost of stock-in-trade purchased and write down of inventories) recognised as an expense during the year are ₹16,761.07 crores (2020-21: ₹11,403.31 crores).
3. For details of assets given as security against borrowings - Refer Notes 3.11 and 3.12

Amount below rounding off norms of the Company

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.9	**CURRENT FINANCIAL ASSETS - INVESTMENTS**		
	(Unquoted)		
	Units in mutual funds	1,298.05	-
	(March 31, 2022: 3,16,00,536.79 units, March 31, 2021: Nil)		
		1,298.05	**-**
	Note:		
	These are carried at fair value through profit or loss		

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.10 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
(Unsecured)		
Considered good		
Related parties (Refer Note 3.8)	163.46	243.16
Others	2,947.56	2,572.84
	3,111.02	**2,816.00**
Considered doubtful		
Others	116.51	129.09
	116.51	**129.09**
Less: Loss allowance	116.51	129.09
	3,111.02	**2,816.00**

Ageing for trade receivable (Refer Notes 1.4 and 1.10) ₹ Crores

Year ended March 31, 2022	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	2,672.63	231.74	7.03	8.97	4.83	34.57	2,959.77
(ii) Disputed Trade Receivables							
- considered good	-	23.65	9.99	19.27	22.48	192.40	267.79
Gross Receivables	**2,672.63**	**255.39**	**17.02**	**28.24**	**27.31**	**226.97**	**3,227.56**
Less: Provisions							116.51
Total							**3,111.05**

Year ended March 31, 2021	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	2,292.78	235.26	53.68	32.48	22.75	54.49	2,691.44
(ii) Disputed Trade Receivables							
- considered good	-	25.75	10.16	23.18	13.78	181.09	253.96
Gross Receivables	**2,292.78**	**261.01**	**63.84**	**55.66**	**36.53**	**235.58**	**2,945.40**
Less: Provisions							129.09
Total							**2,816.31**

Notes :

1. Movement in loss allowance is as follows:

Particulars	March 2022	March 2021
Opening	129.09	80.48
Add: Additions	15.35	69.41
Less: Utilisations / Reversals	27.93	20.80
Closing	116.51	129.09

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, 2022	As at March 31, 2021
			₹ Crores	₹ Crores
1.11 A.		**CASH AND CASH EQUIVALENTS**		
	i)	Balance with banks:		
		a) In current accounts	21.43	21.12
		b) In cash credit accounts	472.73	508.85
		c) In deposit accounts *	500.00	-
	ii)	Cash and stamps on hand	0.09	0.16
			994.25	**530.13**

			As at March 31, 2022	As at March 31, 2021
			₹ Crores	₹ Crores
1.11 B.		**BANK BALANCES OTHER THAN (A) ABOVE**		
	i)	Unclaimed dividend accounts (earmarked)	10.51	10.21
	ii)	Escrow bank account (earmarked)	42.20	32.61
	iii)	Deposits with original maturity of more than 3 months but less than 12 months	-	250.00
			52.71	**292.82**

* This represents deposits with original maturity of less than or equal to 3 months.

		As at March 31, 2022	As at March 31, 2021
		₹ Crores	₹ Crores
1.12	**CURRENT FINANCIAL ASSETS - LOANS (Unsecured, considered good)**		
	a) Loans to related parties in foreign currency (Refer Note 3.8)	-	4.29
		-	**4.29**

Note:

These are carried at amortised cost.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.13	**CURRENT - OTHER FINANCIAL ASSETS**		
	(Unsecured, considered good unless otherwise stated)		
a)	Interest accrued :		
	- Loans to related parties (Refer Note 3.8)	-	0.04
	- Others	13.23	25.44
b)	Employee advances	20.55	21.77
c)	Derivatives designated as hedging instruments carried at fair value	19.14	1.52
d)	Earmarked bank balance (escrow bank accounts)	-	2.82
e)	Related parties (Refer Note 3.8)		
	i. Advances in foreign currency #	0.00	0.00
	ii. Other receivable	6.84	3.61
		6.84	**3.61**
f)	Revenue grants receivable		
	Considered good	38.03	222.52
	Considered doubtful	8.89	1.93
		46.92	**224.45**
	Less: Allowance for doubtful receivable	8.89	1.93
		38.03	**222.52**
g)	Receivable from Government authorities		
	Considered good	11.25	97.61
	Considered doubtful	3.90	-
		15.15	**97.61**
	Less: Allowance for doubtful amount	3.90	-
		11.25	**97.61**
h)	Others (includes expenses recoverable, etc.)		
	Considered good	104.51	83.48
	Considered doubtful	20.51	20.52
		125.02	**104.00**
	Less: Allowance for doubtful amount	20.51	20.52
		104.51	**83.48**
i)	Security deposits	3.02	16.33
j)	Bank deposits with original maturity of greater than 12 months	500.00	350.00
k)	Receivable on slump sale from related party (Refer Sub-Note 5 and Note 3.8)	279.01	-
		995.58	**825.14**
	Of the Employee advances mentioned above		
	Due from Officers #	0.00	0.00

\# amount is below rounding off norms adopted by 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 receivable (Revenue grants receivable) is as follows:

Particulars	March 2022	March 2021
Opening	1.93	1.90
Add: Additions	6.96	0.03
Less: Utilisations / Reversals	-	#
Closing	8.89	1.93

3. Movement in Allowance for doubtful receivable (others) is as follows:

Particulars	March 2022	March 2021
Opening	20.52	20.52
Add: Additions	-	-
Less: Utilisations / Reversals	0.01	-
Closing	20.51	20.52

4. Movement in Allowance for doubtful receivable (Receivable from government authorities) is as follows:

Particulars	March 2022	March 2021
Opening	-	-
Add: Transfer	3.90	-
Less: Utilisations / Reversals	-	-
Closing	3.90	-

5. During the year, the Company has sold the Electric Vehicle (EV) business to Switch Mobility Automotive Limited, a step down subsidiary of the Company for a consideration of ₹ 240.20 crores plus interest and other reimbursements towards expenses and working capital. The net gain is shown under exceptional item, refer note 2.8.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.14	**OTHER CURRENT ASSETS**		
	(Unsecured, considered good unless otherwise stated)		
	a) Advances to related parties (Refer Note 3.8)	-	0.43
	b) Supplier advances		
	Considered good		
	Related Parties (Refer Note 3.8)	5.16	-
	Others	35.54	49.26
	Considered doubtful	0.97	0.64
		41.67	**49.90**
	Less: Allowance for doubtful advances	0.97	0.64
		40.70	**49.26**
	c) Balances with Government Authorities - Goods and Services, customs, port trust, central excise etc.	776.77	645.62
	d) Others*	113.90	145.55
		931.37	**840.86**
	* Includes:		
	- Prepaid expenses	111.73	122.65
	- Gratuity	-	18.57

Note:

Movement in Allowance for doubtful advances is as follows:

Particulars	March 2022	March 2021
Opening	0.64	2.29
Add: Additions	0.65	-
Less: Utilisations / Reversals	0.32	1.65
Closing	0.97	0.64

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.15	**EQUITY SHARE CAPITAL**		
	Authorised		
	27,85,60,00,000 (March 2021: 27,85,60,00,000) Equity shares of ₹1 each	2,785.60	2,785.60
		2,785.60	**2,785.60**
	Issued		
	a) 2,28,92,12,796 (March 2021: 2,28,92,12,796) Equity shares of ₹1 each	228.92	228.92
	b) 64,63,14,480 (March 2021: 64,63,14,480) Equity shares of ₹1 each issued through Global Depository Receipts	64.63	64.63
		293.55	**293.55**
	Subscribed and fully paid up		
	a) 2,28,92,12,796 (March 2021: 2,28,92,12,796) Equity shares of ₹1 each	228.92	228.92
	b) 64,63,14,480 (March 2021: 64,63,14,480) Equity shares of ₹1 each issued through Global Depository Receipts	64.63	64.63
		293.55	**293.55**
	Add: Forfeited shares (amount originally paid up in respect of 760 shares) #	0.00	0.00
		293.55	**293.55**

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, 2022				
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	45.94	-
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**	**51.12**	**-**

Shares held by promoters as at March 31, 2021				
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	45.94	-
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**	**51.12**	**-**

Notes:

1. Reconciliation of number of equity shares subscribed

Particulars	March 2022	March 2021
Balance as at the beginning / end of the year	2,93,55,27,276	2,93,55,27,276

2. **Shares issued in preceding 5 years for consideration other than cash**

   Hinduja Foundries Limited (amalgamating company) merged with the Company effective October 1, 2016 pursuant to the order received from National Company Law Tribunal on April 24, 2017. Consequently, 8,06,58,292 equity shares of ₹1 each of the Company has been allotted on June 13, 2017 as fully paid up to the shareholders of the amalgamating company.

3. As on March 31, 2022, there are 35,31,58,140 (March 2021: 35,31,58,140) equity shares representing the outstanding Global Depository Receipts (GDRs). The balance GDRs have been converted into equity shares.

4. **Shares held by the Holding Company**

   Hinduja Automotive Limited, the holding company, holds 1,16,43,32,742 (March 2021: 1,16,43,32,742) Equity shares and 54,86,669 (March 2021: 54,86,669) Global Depository Receipts (GDRs) equivalent to 32,92,00,140 (March 2021: 32,92,00,140) Equity shares of ₹1 (March 2021: ₹1) each aggregating to 50.88% (March 2021: 50.88%) of the total share capital.

5. **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, 2022 and March 31, 2021.

6. **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 2021: 60 equity shares] of ₹ 1 each, per GDR, and their voting rights can be exercised through the Depository.

	Note	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.16 OTHER EQUITY			
Capital Reserve	A	263.87	263.87
Securities Premium	B	1,908.75	1,908.75
Capital Redemption Reserve	C	3.33	3.33
Share Options Outstanding Account	D	37.90	42.21
General Reserve	E	1,020.55	1,018.33
Cash Flow Hedge Reserve	F	10.01	(12.75)
Retained Earnings	G	3,798.94	3,459.91
		7,043.35	**6,683.65**

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 In respect of the year ended March 31, 2022, the Board of Directors has declared a dividend of ₹1.00 per equity share (March 2021: ₹ 0.60 per equity share) subject to approval by shareholders at the ensuing Annual General Meeting after which dividend will be accounted and paid out of the retained earnings available for distribution in accordance with the provisions of the Act. Revaluation reserve amounting to ₹ 1,210.21 crores transferred to retained earnings on transition date may not be available for distribution.

1.17 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
a) Secured borrowings		
i. Term loan from banks	1,300.00	987.50
ii. SIPCOT soft loan	31.18	31.18
iii. Non-convertible debentures	795.88	595.43
b) Unsecured borrowings		
i. External commercial borrowings from banks	657.14	877.49
ii. Interest free sales tax loans	66.41	66.41
	2,850.61	**2,558.01**

Notes:

1. These are carried at amortised cost.
2. Refer Note 1.22 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 2021: 3,65,00,000) Non-Cumulative Redeemable Non-Convertible Preference Shares of ₹10 each valuing ₹36.50 crores (March 2021: ₹36.50 crores) and 7,70,00,000 (March 2021: 7,70,00,000) Non-Convertible Redeemable Preference Shares of ₹100 each valuing ₹770.00 crores (March 2021: ₹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 utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
7. The Company is not declared as a willful 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, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.18	**NON-CURRENT - OTHER FINANCIAL LIABILITIES**		
	a) Derivatives designated in hedging relationships carried at fair value	5.05	21.98
	b) Capital creditors	3.71	-
	c) Others (includes security deposit payable, etc.)	20.65	22.90
		29.41	**44.88**

Note:

These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss / other comprehensive income.

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.19	**NON-CURRENT CONTRACT LIABILITIES**		
	Income received in advance (Refer Note 3.7)	190.58	213.50
		190.58	**213.50**

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.20	**NON-CURRENT PROVISIONS**		
	a) Provision for employee benefits		
	i. Compensated absences	98.77	99.30
	ii. Others including post retirement benefits	7.29	5.62
	b) Others		
	i. Product warranties	90.11	76.39
	ii. Others (including litigation matters)	4.04	8.26
		200.21	**189.57**

Notes:

1. Movement in Provision for product warranties is as follows :

Particulars	March 2022	March 2021
Opening (Current (Refer Note 1.26) and Non-current)	260.80	312.76
Add: Provided during the year	192.12	222.83
Less: Utilisations (net)	132.32	274.79
Closing (Current (Refer Note 1.26) and Non-current)	320.60	260.80

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 range from 1 to 24 months.

2. Movement in Provision for others (including litigation matters) is as follows :

Particulars	March 2022	March 2021
Opening	8.26	8.26
Add: Additions	26.84	-
Less: Transfer / Reversal	31.06	-
Closing	4.04	8.26

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.21	**DEFERRED TAX LIABILITIES (NET)**		
	a) Deferred tax liabilities	962.53	1,051.81
	b) Deferred tax (assets)	(818.17)	(881.02)
		144.36	**170.79**

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 ₹ 584.85 crores (March 2021: ₹574.78 crores).

		As at March 31, 2022	As at March 31, 2021
		₹ Crores	₹ Crores
1.22	**CURRENT FINANCIAL LIABILITIES - BORROWINGS**		
	Unsecured borrowings		
	Short term loans from banks	150.00	820.00
	Commercial paper	-	247.11
	Bills discounted	116.83	91.13
	Current maturities of long-term debts	389.66	12.50
		656.49	**1,170.74**

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 ₹ 1,250 crores (March 2021: ₹1,800 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. Net debt reconciliation:

	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
Cash and cash equivalents	994.25	530.13
Liquid investments	1,298.05	-
Current borrowings	(267.37)	(1,162.17)
Non-current borrowings	(3,290.15)	(2,617.72)
Derivative Asset / (Liability)	33.92	(8.95)
Lease Liabilities	(46.78)	(30.06)
Net debt	**(1,278.08)**	**(3,288.77)**

	Other assets		Liabilities from financing activities				Total
	Cash and bank overdraft	Liquid investments	Non-current borrowings	Current borrowings	Derivative Asset / (Liability)	Lease Liabilities	
Net debt as at March 31, 2020	1,279.04	-	(1,576.37)	(1,710.97)	26.16	(40.47)	(2,022.61)
Cash flows (net)	(748.09)	(6.91)	(1,038.23)	548.13	-	12.15	(1,232.95)
Foreign exchange adjustments (Realised / Unrealised)	(0.82)	-	34.26	1.71	-	0.08	35.23
Profit / (loss) on sale of liquid investments (net)	-	6.91	-	-	-	-	6.91
Interest expense	-	-	(169.34)	(141.06)	-	(2.92)	(313.32)
Interest paid	-	-	131.96	140.02	-	-	271.98
Other non-cash movements							
- Fair value adjustments	-	-	-	-	(35.11)	-	(35.11)
- Addition / Deletion (Net) relating to lease liability	-	-	-	-	-	1.10	1.10
Net debt as at March 31, 2021	**530.13**	**-**	**(2,617.72)**	**(1,162.17)**	**(8.95)**	**(30.06)**	**(3,288.77)**
Cash flows (net)	464.26	1,283.82	(637.50)	894.27	-	(15.32)	1,989.53
Foreign exchange adjustments (Realised / Unrealised)	(0.14)	-	(31.23)	1.51	-	-	(29.86)
Profit / (loss) on sale of liquid investments (net)	-	13.31	-	-	-	-	13.31
Interest expense	-	-	(196.93)	(83.29)	-	(3.17)	(283.39)
Interest paid	-	-	193.23	82.31	-	-	275.54
Other non-cash movements							
- Fair value adjustments	-	0.92	-	-	42.87	-	43.79
- Addition / Deletion (Net) relating to lease liability	-	-	-	-	-	1.77	1.77
Net debt as at March 31, 2022	**994.25**	**1,298.05**	**(3,290.15)**	**(267.37)**	**33.92**	**(46.78)**	**(1,278.08)**

Note:

Non-current borrowings and interest expense is gross of impact on account of effective interest rate changes.

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
Trade payables - including acceptances		
a) Total outstanding dues of micro enterprises and small enterprises [Refer Note 3.14]	59.84	37.18
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	6,815.39	5,127.51
	6,875.23	**5,164.69**

Trade Payables ageing schedule ₹ Crores

Particulars	As at March 31, 2022 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	3.69	52.90	3.21	-	0.04	-	59.84
(ii) Undisputed dues - Others	936.00	5,629.55	224.31	9.24	11.38	4.91	6,815.39
(iii) Disputed dues – Micro and Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**939.69**	**5,682.45**	**227.52**	**9.24**	**11.42**	**4.91**	**6,875.23**

Particulars	As at March 31, 2021 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	-	34.67	2.44	0.05	0.01	0.01	37.18
(ii) Undisputed dues - Others	828.77	4,115.75	160.59	12.53	6.88	2.99	5,127.51
(iii) Disputed dues – Micro and Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**828.77**	**4,150.42**	**163.03**	**12.58**	**6.89**	**3.00**	**5,164.69**

Notes:

1. These are carried at amortised cost.
2. Includes acceptances amounting to ₹ 673.21 crores (March 2021: ₹ 187.65 crores)

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.24 CURRENT - OTHER FINANCIAL LIABILITIES		
a) Interest accrued but not due on borrowings	45.43	42.23
b) Unclaimed dividends	10.51	10.21
c) Employee benefits	183.13	192.29
d) Capital creditors	155.22	241.25
e) Derivatives designated in hedging relationships carried at fair value	6.86	9.18
f) Others *	298.58	276.77
	699.73	**771.93**
* Includes:		
- Refund liabilities	261.39	259.80

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, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
1.25 CURRENT CONTRACT LIABILITIES		
a) Income received in advance	292.94	333.25
b) Advance from customers	123.26	146.18
	416.20	**479.43**

Note:

Refer Note 3.7 for disclosures relating to revenue from contracts with customers

	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
1.26 CURRENT PROVISIONS		
a) Provision for employee benefits		
i. Compensated absences	23.22	21.65
ii. Others including post retirement benefits	82.22	92.22
b) Others		
i. Product warranties	230.49	184.41
ii. Obligations	-	33.26
iii. Others (including litigation matters)	134.32	133.42
	470.25	**464.96**

Notes:

1. For movement in Provision for product warranties refer note 1.20.
2. Movement in Provision for obligations (Optare plc) is as follows:

Particulars	March 2022	March 2021
Opening	33.26	33.26
Add: Additions	-	-
Less: Reversal (Refer Note 2.8)	33.26	-
Closing	-	33.26

3. Movement in Provision for others (including litigation matters) is as follows:

Particulars	March 2022	March 2021
Opening	133.42	231.08
Add: Additions / Transfer	3.64	2.46
Less: Utilisations / Reversal	2.74	100.12
Closing	134.32	133.42

	As at March 31, 2022	As at March 31, 2022
	₹ Crores	₹ Crores
1.27 OTHER CURRENT LIABILITIES		
a) Statutory liabilities	275.51	160.54
b) Accrued gratuity (Refer Note 3.2)	6.12	-
c) Others	0.15	0.16
	281.78	**160.70**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

			Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
2.1	**REVENUE FROM OPERATIONS**			
	a) Sale of products			
	- Commercial vehicles		18,003.09	12,279.56
	- Engines and gensets		516.07	537.27
	- Ferrous castings and patterns		469.02	357.58
	- Spare parts and others		2,063.49	1,703.05
		(A)	**21,051.67**	**14,877.46**
	b) Sale of services	(B)	855.41	648.74
	c) Other operating revenues			
	- Export incentives		40.16	16.70
	- Scrap sales		72.40	45.79
	- Others		7.98	9.74
		(C)	**120.54**	**72.23**
		(A+B+C)	**22,027.62**	**15,598.43**
	Less: Rebates and discounts		339.33	296.98
			21,688.29	**15,301.45**

		Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
2.2	**OTHER INCOME**		
	a) Interest income from financial assets measured at amortised cost		
	i. Loans to related parties (Refer Note 3.8)	0.06	9.88
	ii. Others	21.85	84.41
		21.91	**94.29**
	b) Dividend income from associates		
	Non-current investments (Refer Note 3.8)	0.07	0.19
	c) Profit on sale of investments - net		
	Current investments	13.31	6.91
	d) Other non-operating income		
	i. Profit on sale of Property, Plant and Equipment (net)	3.02	9.58
	ii. Net (loss) / gain arising on financial asset mandatorily measured at FVTPL	2.36	(6.85)
	iii. Others	35.46	15.38
		40.84	**18.11**
		76.13	**119.50**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		Year ended March 31, 2022	Year ended March 31, 2021
		₹ 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	(75.19)	(415.54)
	- Work-in-progress	26.20	(46.77)
	Net change	**(48.99)**	**(462.31)**

		Year ended March 31, 2022	Year ended March 31, 2021
		₹ Crores	₹ Crores
2.4	**EMPLOYEE BENEFITS EXPENSE**		
	a) Salaries and wages	1,434.32	1,361.40
	b) Contribution to provident and other funds	105.17	105.90
	c) Share based payments costs *	(2.09)	19.02
	d) Staff welfare expenses	170.21	146.90
		1,707.61	**1,633.22**
	Less: Expenses capitalised	13.01	49.33
		1,694.60	**1,583.89**

* 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)	0.64	1.25

		Year ended March 31, 2022	Year ended March 31, 2021
		₹ Crores	₹ Crores
2.5	**FINANCE COSTS**		
	Interest expense	300.27	312.88
	Less: Expenses capitalised	2.33	9.01
		297.94	**303.87**
	Interest on lease liability	3.17	2.92
		301.11	**306.79**

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 - 8.36% p.a (March 31, 2021 - 7.90% p.a).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

				Year ended March 31, 2022	Year ended March 31, 2021
				₹ Crores	₹ Crores
2.6	**DEPRECIATION AND AMORTISATION EXPENSE**				
	A)	**Property, plant and equipment**			
		(i)	Buildings	72.60	77.76
		(ii)	Plant and equipment	450.80	428.07
		(iii)	Furniture and fittings	4.96	6.52
		(iv)	Vehicles including electric vehicles	16.20	14.51
		(v)	Office equipment	20.62	23.92
		(vi)	Assets given on lease		
			- Buildings	0.29	0.29
			- Plant and equipment	#	#
			- Aircraft	9.74	9.75
				575.21	**560.82**
	B)	**Other intangible assets**			
		(i)	Computer software		
			- Developed	15.44	18.49
			- Acquired	14.17	17.13
		(ii)	Technical knowhow		
			- Developed	123.74	126.05
			- Acquired	8.10	6.07
				161.45	**167.74**
	C)	**Depreciation of Right-of-use asset**		16.10	19.15
				752.76	**747.71**

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, 2022	Year ended March 31, 2021
			₹ Crores	₹ Crores
2.7	**OTHER EXPENSES**			
	(a)	Consumption of stores and tools	68.04	55.04
	(b)	Power and fuel	179.53	161.87
	(c)	Rent (Refer Note 3.5)	7.25	4.79
	(d)	Repairs and maintenance		
		- Buildings	44.80	33.09
		- Plant and machinery	157.71	124.07
	(e)	Insurance	30.63	19.49
	(f)	Rates and taxes, excluding taxes on income	12.92	11.87
	(g)	Research and development (includes materials consumed and testing charges)	134.51	137.64
	(h)	Service and product warranties	388.73	274.73
	(i)	Packing and forwarding charges	545.44	423.61
	(j)	Selling and administration expenses - net (includes hire charges, travel expenditure, advertisement expenditure, consultancy charges, etc (Refer Note 3.13))	530.14	431.42
	(k)	Annual maintenance contracts	216.04	168.83
	(l)	Impairment loss allowance / write off on trade receivable	(12.03)	65.36
	(m)	Impairment loss allowance / write off on other receivable	6.65	(1.61)
			2,310.36	**1,910.20**
	Less: Expenses capitalised		72.26	131.09
			2,238.10	**1,779.11**
	Note:			
	Selling and administration expenses include:			
	-	Directors' sitting fees	1.23	1.15
	-	Commission to Non Whole-time Directors	3.00	3.15
	-	CSR Expenditure (Refer Note 3.15)	16.70	44.61

			Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
2.8	**EXCEPTIONAL ITEMS**			
	a)	Impairment Reversal / (loss) in the value of investments		
		- Optare Plc (Refer Note 3.25)	781.19	-
		- Ashley Aviation Limited	(4.00)	(11.74)
		- Albonair GmbH (Refer Note 1.3)	(239.36)	-
	b)	Reversal of provision for obligation in relation to Optare Plc (Refer Note 3.25)	33.26	-
	c)	Loss on fair valuation of Investment in Hinduja Energy (India) Limited (Refer Notes 1.3 and 3.6)	(107.13)	-
	d)	Reversal of provision relating to sale of long term investments	1.17	-
	e)	Gain on sale of immovable properties	-	6.92
	f)	Obligation relating to discontinued products of LCV division (net of reversal)	(3.67)	78.76
	g)	Voluntary retirement scheme	(28.75)	(85.99)
	h)	Profit (net) in relation to EV and related expenses (Refer Note 1.13)	104.96	-
	i)	Provision relating to EMAAS business classified as assets held for sale (Refer Notes 1.5A and 1.5B)	(26.84)	-
			510.83	**(12.05)**

			Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ 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		10.11	0.02
		(A)	**10.11**	**0.02**
	Deferred tax			
	In respect of the current year		(24.33)	(98.25)
	Adjustments to deferred tax attributable to changes in tax rates and laws		-	-
		(B)	**(24.33)**	**(98.25)**
	Total income tax expense recognised in profit or loss	(A + B)	**(14.22)**	**(98.23)**

		Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
3.1.2	**Income tax expense for the year reconciled to the accounting profit:**		
	Profit / (Loss) before tax	**527.61**	**(411.91)**
	Income tax rate	34.944%	34.944%
	Income tax expense	184.37	(143.94)
	Effect of previously unrecognised and unused tax losses and deductible temporary differences	(38.22)	-
	Effect of concessions and other allowances	(29.25)	-
	Effect of exceptional items, disallowances and reversals (net)	(131.16)	45.69
	Effect of different tax rates of branches operating in overseas jurisdictions	0.04	0.02
	Income tax expense recognised in profit or loss	**(14.22)**	**(98.23)**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.1 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

			Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
3.1.3	**Income tax recognised in other comprehensive income**			
	Current tax		-	-
	Deferred tax			
	Arising on income and expenses recognised in other comprehensive income:			
	Fair value remeasurement of hedging instruments entered into for cash flow hedges		5.39	(6.84)
	Remeasurement of defined benefit obligation		(14.33)	2.89
		(A)	**(8.94)**	**(3.95)**
	Arising on income and expenses reclassified from equity to profit or loss:			
	Relating to cash flow hedges		6.84	8.17
		(B)	**6.84**	**8.17**
	Total income tax recognised in other comprehensive income	(A+B)	**(2.10)**	**4.22**

3.1.4 Analysis of deferred tax assets / liabilities: ₹ Crores

March 31, 2022	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities) / assets in relation to:				
Property, Plant & Equipment and intangible assets	(1,040.84)	90.68	-	(950.16)
Right-of-use asset	(10.97)	3.99	-	(6.98)
Lease Liability	10.70	(4.24)	-	6.46
Voluntary retirement scheme compensation	27.86	0.25	-	28.11
Expenditure allowed upon payments	90.20	(4.01)	14.33	100.52
Unused tax credit (MAT credit entitlement)	574.78	10.07	-	584.85
Cash flow hedges	6.84	-	(12.23)	(5.39)
Other temporary differences	80.31	17.92	-	98.23
Unused tax losses / unabsorbed depreciation	90.33	(90.33)	-	-
	(170.79)	**24.33**	**2.10**	**(144.36)**

March 31, 2021	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities) / assets in relation to:				
Property, Plant & Equipment and intangible assets	(1,035.38)	(5.46)	-	(1,040.84)
Right-of-use asset	(15.93)	4.96	-	(10.97)
Lease Liability	14.14	(3.44)	-	10.70
Voluntary retirement scheme compensation	10.85	17.01	-	27.86
Expenditure allowed upon payments	84.77	8.32	(2.89)	90.20
Unused tax credit (MAT credit entitlement)	574.78	-	-	574.78
Cash flow hedges	8.17	-	(1.33)	6.84
Other temporary differences	93.78	(13.47)	-	80.31
Unused tax losses / unabsorbed depreciation	-	90.33	-	90.33
	(264.82)	**98.25**	**(4.22)**	**(170.79)**

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.)

	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
3.1.5 Unrecognised deductible temporary differences, unused tax losses and unused tax credits		
- Unused tax losses (capital)	71.39	260.40
	71.39	**260.40**

Notes:

1. These will expire in various years upto 2026-27.
2. The above are gross amounts on which appropriate tax rates would apply.

3.2 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 ₹ 25.60 crores (2020-21: ₹22.99 crores) represents contribution paid / payable to these schemes by the Company at rates specified in the schemes.

3.2.2 Defined benefit plans

The Company has an obligation towards gratuity as per payment of gratuity act, 1972, 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 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 RETIREMENT BENEFIT PLANS (Contd.)

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
3.2.3 The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Gratuity		
Discount rate	7.18%	6.82%
Expected rate of salary increase	5.50%	5.50%
Average Longevity at retirement age - past service	16.80	16.10
Average Longevity at retirement age - future service	11.20	11.60
Attrition rate	3.00%	3.00%
Compensated absences		
Discount rate	7.18%	6.82%
Expected rate of salary increase	5.50%	5.50%
Attrition rate	3.00%	3.00%
Other defined benefit plans		
Discount rate	7.18%	6.82%

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, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
3.2.4 Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Gratuity		
Current service cost	19.74	21.42
Net interest expense / (income)	(1.95)	(0.41)
Components of defined benefit costs recognised in profit or loss	**17.79**	**21.01**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain) / loss arising from changes in financial assumptions	(10.34)	(10.17)
Actuarial (gain) / loss arising from experience adjustments	53.50	(12.40)
Actuarial (gain) / loss on plan assets	(2.16)	-
Components of defined benefit costs recognised in other comprehensive income	**41.00**	**(22.57)**
Total	**58.79**	**(1.56)**
Compensated absences and other defined benefit plans		
Current service cost	18.66	18.14
Net interest expense	8.40	7.49
Actuarial (gain) / loss arising from changes in financial assumptions	(3.46)	(2.15)
Actuarial (gain) / loss arising from experience adjustments	(12.18)	(3.90)
Components of defined benefit costs recognised in profit or loss	**11.42**	**19.58**

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 RETIREMENT BENEFIT PLANS (Contd.)

3.2.5 The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
Gratuity		
Present value of defined benefit obligation	409.16	365.12
Fair value of plan assets	403.04	383.69
Net liability / (asset) arising from defined benefit obligation (funded)	**6.12**	**(18.57)**
Compensated absences and other defined benefit plans		
Present value of defined benefit obligation	130.09	127.39
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation (unfunded)	**130.09**	**127.39**

Gratuity is reflected in other current asset in case of Net asset and reflected in "Accrued gratuity" under other current liabilities in case of Net liability and compensated absences is reflected in "Provision for employee benefits" under provisions. [Refer Notes 1.14, 1.20, 1.26 and 1.27]

	Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
3.2.6 Movements in the present value of the defined benefit obligation were as follows:		
Gratuity		
Opening defined benefit obligation	365.12	380.40
Current service cost	19.74	21.42
Interest cost	23.46	23.85
Actuarial (gain) / loss arising from changes in financial assumptions	(10.34)	(10.17)
Actuarial (gain) / loss arising from experience adjustments	53.50	(12.40)
Benefits paid	(42.32)	(37.98)
Closing defined benefit obligation	**409.16**	**365.12**
Compensated absences and other defined benefit plans		
Opening defined benefit obligation	127.39	120.03
Current service cost	18.66	18.14
Interest cost	8.40	7.49
Actuarial (gain) / loss arising from changes in financial assumptions	(3.46)	(2.15)
Actuarial (gain) / loss arising from experience adjustments	(12.18)	(3.90)
Benefits paid	(8.72)	(12.22)
Closing defined benefit obligation	**130.09**	**127.39**

	Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
3.2.7 Movements in the fair value of the plan assets were as follows:		
Gratuity		
Opening fair value of plan assets	383.69	375.59
Interest on plan assets	25.41	24.26
Remeasurements due to Actual return on plan assets less interest on plan assets	2.16	-
Contributions	34.10	21.82
Benefits paid	(42.32)	(37.98)
Closing fair value of plan assets	**403.04**	**383.69**

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 ₹ 27.57 crores (2020-21: ₹24.26 crores).

3.2 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 given 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, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
Gratuity		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	13.67	13.36
increase by	14.48	13.08
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	14.93	13.46
decrease by	14.22	13.83
Compensated absences		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	4.36	4.70
increase by	4.66	5.04
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	4.69	4.80
decrease by	4.43	4.52

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.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit 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 defined benefit obligation 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 ₹ 36.00 crores (March 2021: ₹ 26.00 crores) to the defined benefit plans (gratuity - funded) during the next financial year.

The average duration of the benefit obligation (gratuity) is 7.5 years (March 2021: 8 years).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.2 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 higher 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:

	As at March 31, 2022	As at March 31, 2021
Provident Fund		
Discount rate	7.18%	6.82%
Remaining term to maturity of portfolio (years)	11.20	11.90
Expected guaranteed interest rate		
First year	8.10%	8.50%
Thereafter	8.10%	8.50%
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, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
Provident Fund		
Present value of defined benefit obligation	1,367.99	1,310.79
Fair value of plan assets	1,293.88	1,241.60
Net (liability) arising from defined benefit obligation (funded)	**(74.11)**	**(69.19)**

The Net liability is reflected in "Provision for employee benefits" under provisions. [Refer Note 1.26].

The amount recognised in total comprehensive income and the movement in fair value of plan assets and present value of defined benefit obligations pertaining to year ended March 31, 2022 is as follows :

Amounts recognised in total comprehensive income in respect of these provident fund are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
Provident Fund		
Current service cost	47.47	43.64
Net interest expense	4.71	3.35
Components of provident fund recognised in profit or loss	**52.18**	**46.99**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain) / loss arising from changes in financial assumptions	(0.69)	(0.48)
Actuarial (gain) / loss arising from experience adjustments	(1.98)	46.20
Actuarial (gain) / loss on plan assets	2.67	(31.43)
Components of provident fund recognised in other comprehensive income	**-**	**14.29**
Total	**52.18**	**61.28**

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 RETIREMENT BENEFIT PLANS (Contd.)

	Year ended March 31, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
Movements in the present value of the defined benefit obligation were as follows:		
Opening defined benefit obligation	1,310.79	1,222.57
Adjustment relating to opening present value obligation	0.21	-
Employer Contribution	42.10	42.89
Employee Contribution	104.83	101.41
Value of Interest Rate Guarantee	5.37	0.75
Interest cost	88.24	79.39
Actuarial (gain) / loss arising from changes in financial assumptions	(0.69)	(0.48)
Actuarial (gain) / loss arising from experience adjustments	(1.98)	46.20
Benefits paid	(180.88)	(181.94)
Closing defined benefit obligation	**1,367.99**	**1,310.79**
Movements in the fair value of the plan assets were as follows:		
Provident Fund		
Opening fair value of plan assets	1,241.60	1,171.77
Interest on plan assets	83.53	76.04
Actuarial gain / (loss) on plan assets	(2.67)	31.43
Contributions	152.30	144.30
Benefits paid	(180.88)	(181.94)
Closing fair value of plan assets	**1,293.88**	**1,241.60**

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, 2022	As at March 31, 2021
Central and State Government Securities including Public Sector undertaking securities	67.00%	63.00%
Corporate Bonds	25.00%	25.00%
Mutual Funds	3.00%	6.00%
Special Deposit Scheme	5.00%	6.00%

Significant actuarial assumptions for the determination of the provident fund are discount rate and interest rate guarantee. The sensitivity analysis given 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, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	0.93	1.09
increase by	0.97	1.14

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 0.5% (March 2021: 0.4%) or decrease in present value obligation by 3% (March 2021: 2.8%.)

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, 2022	Year ended March 31, 2021
		₹	₹
3.3	**EARNINGS PER SHARE**		
	Basic earnings per share	1.85	(1.07)
	Diluted earnings per share	1.84	(1.07)
	Face value per share	1.00	1.00

		Year ended March 31, 2022	Year ended March 31, 2021
		₹ Crores	₹ Crores
3.3.1	**Basic earnings per share**		
	Profit for the year attributable to equity shareholders	541.83	(313.68)

		Year ended March 31, 2022	Year ended March 31, 2021
		Nos	Nos
	Weighted average number of equity shares used in the calculation of basic earnings per share	2,935,527,276	2,935,527,276

		Year ended March 31, 2022	Year ended March 31, 2021
		₹ 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	541.83	(313.68)

		Year ended March 31, 2022	Year ended March 31, 2021
		Nos	Nos
	Weighted average number of equity shares used in the calculation of basic earnings per share	2,935,527,276	2,935,527,276
	Adjustments :		
	Dilutive effect - Number of shares relating to employee stock options	2,315,920	-
	Weighted average number of equity shares used in the calculation of diluted earnings per share	**2,937,843,196**	**2,935,527,276**

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)	2,000,000	July 19, 2017	July 19, 2027	83.50	57.42
ESOP 4 (Refer Note below)	1,000,000	November 13, 2018	November 13, 2028	109.00	55.47
ESOP 5 (Refer Note below)	13,100,000	March 20, 2019	March 20, 2030	91.40	40.19
ESOP 6 (Refer Note below)	7,010,000	February 11, 2020	February 11, 2031	82.90	38.58

ESOP 1 & ESOP 2 have got vested / lapsed before April 1, 2019. ESOP 4, a portion of ESOP 5 and ESOP 6 has got lapsed / forfeited during the year ended March 31, 2022.

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 (2020-21: ₹ 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, 2022 Numbers	Weighted average exercise price	Year ended March 31, 2021 Numbers	Weighted average exercise price
Opening at the beginning of the year	22,710,000	88.99	22,710,000	88.99
Granted during the year	-	-	-	-
Forfeited / lapsed during the year	9,940,000	87.18	-	-
Exercised during the year	-	-	-	-
Balance at the end of the year	12,770,000	90.41	22,710,000	88.99

Weighted Average share price on date of exercise of option ₹ Nil (2021: ₹ Nil).

3.4.4 Share options vested but not exercised during the year

ESOP 3: 4,00,000 options (Year ended March 31, 2021: ESOP 3: 4,00,000 options and ESOP 4: 2,00,000 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 ₹ 90.41 (as at March 31, 2021: ₹ 88.99) and a weighted average remaining contractual life of 6.58 years (as at March 31, 2021: 7.93 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 purpose of calculation of right-of-use asset.

Expenses for the year ended March 31, 2022 includes lease expense classified as Short term lease expenses aggregating to ₹18.11 crores (March 31, 2021: ₹18.89 crores) and variable lease payments aggregating to ₹64.82 crores (March 31, 2021: ₹ 48.45 crores) which are not required to be recognised as a part of practical expedient under Ind AS 116 'Leases' mentioned above.

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 five year's 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, 2022	March 31, 2021
	₹ Crores	₹ Crores
Debt (long-term and short-term borrowings and lease liabilities net off effective interest rate adjustment)	3,553.88	3,758.81
Total Equity	7,336.90	6,977.20
Debt equity ratio	**0.48**	**0.54**

The quarterly returns or statements of current assets filed by the Company with Banks and Financial Institutions are in agreement with the books of account.

The Company is required to comply with certain covenants under the facility agreements executed for its borrowings, which were either complied or consent obtained for continuing the facility.

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 predictablity 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 realizable 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, 2022 (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	920.57	815.20	105.37	351.67	187.32	164.35	58.98
EUR	45.81	42.18	3.63	2.49	-	2.49	(1.14)
GBP	0.67	-	0.67	0.36	-	0.36	(0.31)
JPY	1.64	1.64	-	-	-	-	-
SGD	153.69	153.69	-	-	-	-	-
Others	5.41	-	5.41	62.90	-	62.90	57.49

3.6 Financial Instruments (contd.)

As on March 31, 2021 (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	943.46	846.54	96.92	245.24	130.95	114.29	17.37
EUR	51.66	45.93	5.73	15.51	0.92	14.59	8.86
GBP	0.67	-	0.67	-	-	-	(0.67)
JPY	1.85	-	1.85	-	-	-	(1.85)
SGD	149.29	149.03	0.26	-	-	-	(0.26)
Others	6.01	-	6.01	53.72	-	53.72	47.71

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, 2022	March 31, 2021
Profit or loss	1.18	0.35
Equity	1.18	0.35

	EUR impact	
	March 31, 2022	March 31, 2021
Profit or loss	0.02	0.18
Equity	0.02	0.18

	GBP impact	
	March 31, 2022	March 31, 2021
Profit or loss	0.01	0.01
Equity	0.01	0.01

	JPY impact	
	March 31, 2022	March 31, 2021
Profit or loss	-	0.04
Equity	-	0.04

	SGD impact	
	March 31, 2022	March 31, 2021
Profit or loss	-	0.01
Equity	-	0.01

	Impact of other currencies	
	March 31, 2022	March 31, 2021
Profit or loss	1.15	0.95
Equity	1.15	0.95

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, 2022	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	0.43	32.21	0.47	May 2022	1 : 1	USD 1 : INR 77.37
Buy USD - Sell INR	USD	0.20	15.16	(0.25)	May 2022	1 : 1	USD 1 : INR 77.50
Buy EUR - Sell INR	EUR	0.20	16.84	(0.06)	May 2022	1 : 1	EUR 1 : INR 85.22
Fair value hedges:							
Buy USD - Sell INR	USD	0.75	56.59	(1.20)	April 2022 - June 2022	1 : 1	USD 1 : INR 77.89
Sell USD - Buy INR	USD	2.47	187.32	(0.29)	April 2022	1 : 1	USD 1 : INR 75.87
Buy EUR - Sell INR	EUR	0.50	42.18	(4.64)	April 2022 - March 2023	1 : 1	EUR 1 : INR 97.36
Buy JPY - Sell INR	JPY	2.64	1.64	#	April 2022	1 : 1	JPY 1 : INR 0.62

Figures in Crores

March 31, 2021	Foreign currency		Notional value in ₹	Fair value assets / (liabilities) in ₹ (Refer Note)	Maturity date	Hedge ratio	Weighted Average rate
Fair value hedges:							
Buy USD - Sell INR	USD	1.57	115.00	(1.07)	April 2021 - June 2022	1 : 1	USD 1 : INR 75.42
Sell USD - Buy INR	USD	1.79	130.95	0.17	April 2021 - June 2021	1 : 1	USD 1 : INR 73.64
Sell EUR - Buy INR	EUR	0.01	0.92	0.03	May 2021	1 : 1	EUR 1 : INR 89.51
Buy EUR - Sell INR	EUR	0.54	45.93	(1.72)	May 2021 - March 2023	1 : 1	EUR 1 : INR 97.07

Note:

Included in the balance sheet under ‘Current - other financial assets’ and ‘Non-current & Current - other financial liabilities’. [Refer Notes 1.13, 1.18 and 1.24]

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 by the use of interest rate swap contracts. 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.

The exposure of company’s borrowings to interest rate changes at the end of the reporting period are as follows:

	March 31, 2022	March 31, 2021
	₹ Crores	₹ Crores
Variable rate Borrowings	487.50	1,000.00
Fixed rate Borrowings *	2,958.17	2,671.24
	3,445.67	**3,671.24**

* includes variable rate borrowings amounting to ₹ 910.16 crores (March 31, 2021: ₹ 878.93 crores) subsequently converted to fixed rate borrowings through swap contracts.

3.6 Financial Instruments (contd.)

Interest rate sensitivity analysis

The sensitivity analysis given 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, 2022 would decrease / increase by ₹ 0.69 crores (March 31, 2021 decrease / increase by ₹ 1.60 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, 2022 is ₹ 39.89 crores (March 31, 2021: ₹ (8.95) 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, 2022 would approximately decrease/ increase by ₹ Nil (year ended March 31, 2021: 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 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 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.

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 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'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.

The Company makes a loss allowance using simplified approach for expected credit loss and on a case to case basis.

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 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.

(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, 2022	March 31, 2021
	₹ Crores	₹ Crores
From Banks		
- Secured	2,200.00	2,800.00
- Unsecured	786.33	451.31
Total	**2,986.33**	**3,251.31**

Further to the above, the Company has an option to issue commercial paper for an amount of ₹ 2,000 crores (March 31, 2021 ₹1,750 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, 2022	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	6,875.23	-	-	6,875.23
Other financial liabilities	647.44	24.36	-	671.80
Borrowings	847.05	2,985.91	240.88	4,073.84
Lease liabilities	14.83	32.97	27.71	75.51
	8,384.55	**3,043.24**	**268.59**	**11,696.38**

₹ Crores

March 31, 2021	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	5,164.69	-	-	5,164.69
Other financial liabilities	720.52	22.90	-	743.42
Borrowings	1,343.08	2,579.01	317.61	4,239.70
Lease liabilities	9.84	18.54	29.46	57.84
	7,238.13	**2,620.45**	**347.07**	**10,205.65**

As there is no 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.

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, 2022	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Currency and interest rate swaps	0.34	5.05	5.39
Foreign exchange forward contracts	6.52	-	6.52
	6.86	**5.05**	**11.91**

₹ Crores

March 31, 2021	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Currency and interest rate swaps	8.60	19.70	28.30
Foreign exchange forward contracts	0.58	2.28	2.86
	9.18	**21.98**	**31.16**

3.6 Financial Instruments (contd.)

3.6.3 Categories of Financial assets and liabilities:

₹ Crores

		As at March 31, 2022	As at March 31, 2021
Financial assets			
a.	**Measured at amortised cost:**		
	Investments (net of impairment)	3,323.12	2,764.49
	Cash and cash equivalents	994.25	530.13
	Other bank balances	52.71	292.82
	Trade Receivables (net of allowance)	3,111.05	2,816.31
	Loans (net of allowance)	-	4.29
	Others (net of allowance)	1,018.38	863.06
b.	**Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):**		
	Investments	1,496.51	304.23
	Derivatives designated in hedge accounting relationships	45.83	19.62
Financial liabilities			
a.	**Measured at amortised cost:**		
	Borrowings	3,507.10	3,728.75
	Trade Payables	6,875.23	5,164.69
	Other financial liabilities	717.23	785.65
	Lease liabilities	46.78	30.06
b.	**Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):**		
	Derivatives designated in hedge accounting relationships	11.91	31.16

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 trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. 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, 2022	March 31, 2021		
Derivative instruments, i.e. forward foreign currency contracts, currency and interest rate swaps	Assets – ₹ 45.83 crores; and Liabilities – ₹ 11.91 crores	Assets – ₹ 19.62 crores; and Liabilities – ₹ 31.16 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 inputs to fair value
	March 31, 2022	March 31, 2021				
Investments in mutual funds	₹ 1298.05 crores	₹ Nil	Level 1	Net assets value in an active market	Not applicable	Not applicable
Investments in unquoted preference shares	Preference shares of: Hinduja Tech Limited - ₹ 16.11 crores Ashok Leyland (UAE) LLC ₹ 44.17 crores Others - ₹ 6.96 crores (Refer Note 1.3)	Preference shares of: Hinduja Tech Limited - ₹ 22.65 crores Ashok Leyland (UAE) LLC ₹ 36.36 crores Others - ₹ 6.80 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 - ₹ 81.33 crores Others - ₹ 49.89 crores (Refer Note 1.3)	Equity shares of: Hinduja Energy (India) Limited - ₹ 188.46 crores Others - ₹ 49.96 crores (Refer Note 1.3)	Level 3	Income approach – in this approach, the discounted 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 During the year the valuation technique has changed from a combination of Net Asset Value (Realizable value) approach and Income approach (with equal weightage to each approach) in the previous year to Income approach in the current year on account of greater certainty / improved visibility of future cash flows due to the Supreme Court Judgement received in February 2022.	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 ₹ 14.61 crores / ₹ 20.27 crores (as at March 31, 2021: ₹ 11.87 crores / 17.37 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 ₹ 12.96 crores / ₹ 13.70 crores (as at March 31, 2021: ₹ 8.56 crores / ₹ 9.78 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 ₹ 44.82 crores / ₹ 44.76 crores (as at March 31, 2021: ₹ 5.50 crores / ₹ 4.89 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 ₹ 1.44 crores (as at March 31, 2021: loss of ₹ 6.85 crores). The Company has also recorded a fair value loss of ₹ 107.13 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, 2022	March 31, 2021
	₹ Crores	₹ Crores
Type of goods and service		
a) Sale of products		
- Commercial vehicles	18,003.09	12,279.56
- Engines and gensets	516.07	537.27
- Ferrous castings and patterns	469.02	357.58
- Spare parts and others	2,063.49	1,703.05
	21,051.67	**14,877.46**
b) Sale of services		
- Freight and Insurance	342.65	275.33
- Annual Maintenance Contracts	226.42	165.87
- Warranty services	187.56	135.76
- Others	98.78	71.78
	855.41	**648.74**
c) Other operating revenues		
- Scrap sales	72.40	45.79
- Others	7.98	9.74
	80.38	**55.53**
Less: Rebates and discounts	339.33	296.98
Total revenue from contracts with customers	**21,648.13**	**15,284.75**
India	20,092.10	14,215.88
Outside India	1,556.03	1,068.87
Total revenue from contracts with customers	**21,648.13**	**15,284.75**

Timing of revenue recognition	March 31, 2022		March 31, 2021	
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	21,132.05	-	14,932.99	-
- Sale of Services - Freight and Insurance	-	342.65	-	275.33
- Sale of Services - Annual Maintenance Contracts, Warranty services and others	47.58	465.18	30.95	342.46
Less: Rebates and discounts	339.33	-	296.98	-
Total revenue from contracts with customers	**20,840.30**	**807.83**	**14,666.96**	**617.79**

3.7 Revenue from contracts with customers (contd.)

3.7.2 Contract balances

Particulars	March 31, 2022	March 31, 2021
	₹ Crores	₹ Crores
Trade receivables (Refer Note 1.4 & 1.10)	3,111.05	2,816.31
Contract liabilities (Refer Notes 1.19 & 1.25)	606.78	692.93

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 freight and insurance services on shipments not yet delivered to customer and unexpired service warranties. The decrease in contract liabilities is due to decrease in unexpired service warranties and decrease in volumes / revenue.

3.7.3 Revenue recognised in relation to contract liabilities

Particulars	March 31, 2022	March 31, 2021
	₹ Crores	₹ Crores
Revenue recognised from contract liabilities at the beginning of the year	468.23	546.11
Revenue recognised from performance obligations satisfied in previous years	0.81	1.84

3.7.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	March 31, 2022	March 31, 2021
	₹ Crores	₹ Crores
Contracted price	21,987.46	15,581.73
Adjustments		
Rebates and discounts	(339.33)	(296.98)
Revenue from contracts with customers	**21,648.13**	**15,284.75**

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:

	March 31, 2022	March 31, 2021
	₹ Crores	₹ Crores
Within one year	457.70	665.94
More than one year	223.60	278.91
	681.30	**944.85**

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 48 months.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 SA *
(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
Optare Plc, UK
- Optare UK Limited.
- Switch Mobility Limited, UK (Formely Optare Group Limited)
  - OHM Global Mobility Limited (under liquidation).......... From January 26, 2021
  - Switch Mobility Automotive Limited.......... From June 14, 2021
  - Switch Mobility Europe S.I, Spain..........From December 14, 2021
- Jamesstan Investments Limited.......... Liquidated on April 13, 2021
  - Optare Holdings Limited.......... Liquidated on April 13, 2021
  - Optare (Leeds) Limited.......... Liquidated on April 13, 2021
- East Lancashire Bus Builders Limited ....Liquidated on April 13, 2021
- Optare Australia PTY LTD .... From September 9, 2020

Ashok Leyland (Chile) S.A.
Hinduja Leyland Finance Limited
- Hinduja Housing Finance Limited
- Hinduja Insurance Broking and Advisory Services 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 .... from February 25, 2021
- Hinduja Tech (Shanghai) Co., Limited.......... from March 26, 2021
- Hinduja Tech GmbH, Germany .... from February 25, 2021
- Hinduja Tech Inc, United States of America .... from February 25, 2021
- Hinduja Tech Canada Inc, Canada ....from August 26, 2021

Vishwa Buses and Coaches Limited ....from November 19, 2020
Gro Digital Platforms Limited ....From April 14, 2021

b) Other related parties

Fellow subsidiaries

Gulf Oil Lubricants India Limited
Hinduja Energy (India) Limited
DA Stuart India Private Limited
Hinduja Renewables Private Limited
Prathama Solarconnect Energy Private Limited
IDL Explosives Limited
OHM International Mobility Limited, United Kingdom .... From August 02, 2021
OHM Global Mobility Private Limited .... from March 8, 2021

3.8 Related party disclosure (Contd.)

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)

Hinduja Tech Limited .... upto February 24, 2021

Entities where control exist

Ashok Leyland Educational Trust

Entities where significant influence exist

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** .... From November 26, 2021

Mr. Dheeraj G Hinduja, Non-executive Chairman .... upto November 25, 2021

Mr. Vipin Sondhi, Managing Director and CEO .... upto December 31, 2021

Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer

Prof. Dr. Andreas H Biagosch

Dr. Andrew C Palmer

Mr. Jean Brunol

Mr. Jose Maria Alapont

Ms. Manisha Girotra

Mr. Sanjay K Asher

Mr. Shom Ashok Hinduja .... from November 12, 2021

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 (March 2021: Estera trust (Isle of Man) Limited) as significant beneficial owner pursuant to the Companies (Significant Beneficial Owners) Rules, 2018.

**Mr. Dheeraj Hinduja was appointed as Executive Chairman (Whole Time) subject to approval of Central Government pursuant to provisions of Schedule V Section I, Part I of Companies Act, 2013.

3.8 Related party disclosure (Contd.)

c) Related Party Transactions - summary

₹ Crores

		Subsidiaries		Fellow Subsidiaries		Associates		Joint Ventures		Holding Company		Entities where control exist		Entities where significant influence exist		Key Management Personnel		Total	
	Transactions during the year ended March 31	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
1	Purchase of raw materials, components and traded goods (net of GST)	582.22	215.84	97.78	73.28	1.73	0.71	56.66	44.80	-	-	-	-	-	-	-	-	738.39	334.63
2	Sales and services (net of GST)	550.37	504.51	32.19	24.79	99.97	80.32	0.74	1.03	-	-	(0.15)	-	-	-	-	-	683.12	610.65
3	Other operating Income	-	0.04	-	-	-	-	2.13	1.35	-	-	-	-	-	-	-	-	2.13	1.39
4	Other expenditure incurred / (recovered) (net)	54.92	27.39	46.46	13.96	0.82	(0.76)	0.01	25.55	2.44	2.35	(0.36)	0.08	-	-	-	-	104.29	68.57
5	Interest and other income	10.82	3.79	-	9.77	0.78	0.78	0.31	0.20	-	-	-	-	-	-	-	-	11.91	14.54
6	Purchase of assets	-	-	-	-	-	-	-	8.12	-	-	-	-	-	-	-	-	-	8.12
7	Sale of asset	2.42	25.30	-	-	-	-	-	-	-	-	-	-	-	-	0.29	-	2.71	25.30
8	Dividend payments	-	-	-	-	-	-	-	-	89.61		-	-	-	-	-	-	89.61	-
9	Dividend Income	-	-	-	-	0.07	0.19	-	-	-	-	-	-	-	-	-	-	0.07	0.19
10	Remuneration to key management personnel**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24.82	24.12	24.82	24.12
11	Commission and sitting fees to key management personnel *	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.23	4.30	4.23	4.30
12	Financial guarantees issued @	130.98	305.76	-	-	-	-	12.50	-	-	-	-	-	-	-	-	-	143.48	305.76
13	Financial guarantees released	130.98	23.66	-	-	-	-	14.70	-	-	-	-	-	-	-	-	-	145.68	23.66
14	Investments in shares of	14.00	349.02	-	18.66	-	-	2.50	-	-	-	-	-	-	-	-	-	16.50	367.68
15	Loans / ICD repaid	-	-	-	100.00	-	-	-	-	-	-	-	-	-	-	-	-	-	100.00
16	Loan converted into equity	4.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.30	-
17	Consideration towards sale of Electric vehicle business	279.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	279.01	-
18	Contribution to employee related trusts made during the year including loans and interest recovered	-	-	-	-	-	-	-	-	-	-	-		203.83	189.18	-	-	203.83	189.18

*includes commission and sitting fees to other directors aggregating to ₹ 4.13 crores (2021 : ₹ 3.48 crores).

@Includes financial guarantees issued but not yet utilised by a subsidiary amounting to ₹ 130.98 crores for the year ended March 31, 2021.

All the transactions are at arms length in line with the related party transactions policy of the Company.

**pursuant to separation of the director an amount of ₹ 10.33 crores is reversed in profit and loss account due to forfeiture of ESOPs.

The remuneration paid / payable to certain directors amounting to ₹ 17.81 crores (March 2021: ₹ 12.30 crores) for the financial year ended March 31, 2022 is in excess of the limit prescribed under the Companies Act, 2013 and is subject to approval of the shareholders, which the company proposes to obtain in the forthcoming Annual General Meeting, in accordance with the provisions of the Companies Act, 2013, as amended from time to time.

3.8 Related party disclosure (Contd.)

d) Related Party balances - summary

₹ Crores

		Subsidiaries		Fellow Subsidiaries		Associates		Joint Ventures		Holding Company		Entities where control exist		Entities where significant influence exist		Key Management Personnel		Total	
	Balances as on March 31	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
1	Trade receivables (Refer Notes 1.4 and 1.10)	97.97	158.99	10.64	7.72	55.42	75.87	0.52	0.25	-	-	0.18	0.64	-	-	-	-	164.73	243.47
2	Loans (Refer Note 1.12)	-	4.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.29
3	Other financial and non-financial assets (Refer Notes 1.7, 1.13 and 1.14)	284.79	3.97	1.06	-	-	-	5.16	0.22	-	-	-	-	-	-	-	-	291.01	4.19
4	Trade and other payables	210.22	129.80	25.89	26.02	0.63	1.22	5.56	17.64	0.07	0.67	-	-	16.85	10.21	4.46	8.50	263.68	194.06
5	Share application money (Refer Note 1.13)	#	#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	#	#
6	Financial guarantees	412.29	287.30	-	-	-	-	10.00	14.70	-	-	-	-	-	-	-	-	422.29	302.00

amount is below rounding off norms adopted by the Company.

3.8 Related party disclosure (Contd.)

e) Significant Related Party Transactions

₹ Crores

	Transactions during the year ended March 31	2022	2021
1	**Purchase of raw materials, components and traded goods (net of GST)**		
	Ashley Alteams India Limited	56.66	44.80
	Gulf Oil Lubricants India Limited	91.21	67.50
	Global TVS Bus Body Builders Limited	68.65	44.98
	Albonair (India) Private Limited	494.77	167.31
2	**Sales and services (net of GST)**		
	Gulf Ashley Motor Limited	224.33	338.22
	Ashok Leyland (UAE) LLC	282.00	166.19
	Lanka Ashok Leyland Plc	80.35	74.21
	Switch Mobility Automotive Limited	40.63	-
3	**Other Operating Income**		
	Ashley Alteams India Limited	2.13	1.35
4	**Other expenditure incurred / (recovered) (net)**		
	Hinduja Automotive Limited, United Kingdom	2.44	2.35
	Gulf Ashley Motor Limited	6.34	6.90
	HLF Services Limited	8.91	9.46
	Ashok Leyland Defence Systems Limited	0.18	(0.58)
	Hinduja Tech Limited	26.14	27.95
	Lanka Ashok Leyland Plc	0.64	(0.18)
	Albonair GmbH	1.76	1.49
	Ashok Leyland (UAE) LLC	0.26	5.67
	Hinduja Renewables Private Limited	6.70	5.55
	Gro Digital Platforms Limited	9.47	-
	Prathama Solarconnect Energy Private Limited	40.67	8.24
5	**Interest and other income**		
	Ashok Leyland Defence Systems Limited	0.78	0.78
	Global TVS Bus Body Builders Limited	3.62	-
	Albonair (India) Private Limited	0.48	0.47
	Ashley Aviation Limited	2.26	2.25
	Hinduja Energy (India) Limited	-	9.77
	Switch Mobility Automotive Limited	1.31	-
	Albonair GmbH	0.66	0.59
	Optare Plc	1.02	0.38
	Vishwa Bus and Coaches Limited	0.87	-
6	**Purchase of assets**		
	Ashley Alteams India Limited	-	8.12
7	**Sale of assets**		
	Vishwa Bus and Coaches Limited	0.36	25.30
	Gro Digital Platforms Limited	2.06	-
	Mr. Vipin Sondhi	0.29	-
8	**Dividend payment**		
	Hinduja Automotive Limited, United Kingdom	89.61	-
9	**Dividend income**		
	Lanka Ashok Leyland Plc	0.07	0.19
10	**Financial guarantees issued**		
	Optare Plc	130.98	138.88
	Switch Mobility Limited	-	130.98
	Albonair GmbH	-	35.90
	Ashley Alteams India Limited	12.50	-
11	**Financial guarantees released**		
	Optare Plc	-	23.66
	Ashley Alteams India Limited	14.70	-
	Switch Mobility Limited	130.98	-
12	**Investment in shares of**		
	Hinduja Leyland Finance Limited	-	90.49
	Optare Plc	-	150.39
	Hinduja Tech Limited	-	70.20
	Ashley Aviation Limited	4.00	4.94
	Vishwa Bus and Coaches Limited	-	33.00
	Gro Digital Platforms Limited	10.00	-
	Ashley Alteams India Limited	2.50	-
	Prathama Solarconnect Energy Private Limited	-	18.66
13	**Loans / ICD repaid**		
	Hinduja Energy (India) Limited	-	100.00

3.8 Related party disclosure (Contd.)

e) Significant Related Party Transactions (Contd.)

₹ Crores

	Transactions during the year ended March 31	2022	2021
14	**Commission and sitting fees to key management personnel**		
	Mr. Dheeraj G Hinduja	0.10	0.82
	Commission and sitting fees to other directors in aggregate	4.13	3.48
15	**Contribution to employee related trusts made during the year including loans and interest recovered**		
	Ashok Leyland Employees Ennore Provident Fund Trust	47.10	49.43
	Ashok Leyland Employees Hosur Provident Fund Trust	41.95	37.75
	Ashok Leyland Senior Executives Provident Fund Trust	45.77	43.91
	Ashok Leyland Employees Gratuity Fund	30.00	13.50
	Ashok Leyland Superannuation Fund	15.21	14.08
	Ennore Foundries Gratuity Fund	4.11	8.32
	Ennore Foundries Limited Employees Provident Fund	11.35	13.22
16	**Loan converted into equity**		
	Albonair GmbH	4.30	-
17	**Consideration towards sale of Electric vehicle business**		
	Switch Mobility Automotive Limited	279.01	-
18	**Remuneration to key management personnel ***		
	Mr. Vipin Sondhi		
	Short term employee benefits	14.65	10.62
	Other long term employee benefits	0.08	0.08
	Share-based payment @	-	5.63
	Mr. Gopal Mahadevan		
	Short term employee benefits	5.65	4.80
	Other long term employee benefits	0.08	0.07
	Share-based payment	2.62	2.92
	Mr. Dheeraj G Hinduja		
	Short term employee benefits	1.66	-
	Other long term employee benefits	0.08	-

@pursuant to separation of the director an amount of ₹ 10.33 crores was reversed in profit and loss account due to forfeiture of ESOPs.

* Excludes contribution for gratuity and compensated absences as the incremental liability has been accounted for the Company as a whole.

f) Details of loans (excluding interest accrued) as required under regulation 53(1)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations

₹ Crores

Name of the Company	March 2022				March 2021			
	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
Albonair GmbH	Subsidiary	-	4.48	4.3 *	Subsidiary	4.29	4.49	-

*During the year, loan outstanding, has been converted to investment in equity shares

g) Disclosure as required under section 186(4) of the Companies Act, 2013:

₹ Crores

	Particulars	As at March 31, 2022	As at March 31, 2021	Maximum amount outstanding during the year	Purpose
i)	Loans outstanding				
	- Albonair GmbH	-	4.29	4.29	Funding for operations
ii)	Investments (Refer Note 1.3)	4,181.88	4,161.08		
iii)	Guarantees availed [Refer Note below]				
	- Optare plc	294.39	167.25	294.39	Guarantees for working capital loan
	- Ashley Alteams India Limited	10.00	14.70	14.81	Guarantees for term loan
	- Albonair GmbH	117.90	120.05	117.90	Guarantees for working capital loan

Note

Guarantees given during the year amounts to ₹ 140.97 crores (2021: ₹ 174.78 crores), were given for the borrowings availed by Optare Plc and Ashley Alteams India Limited.

Guarantees released during the year amounts to ₹ 14.70 crores (2021: ₹ 23.66 crores), pertaining to borrowing availed by Ashley Alteams India Limited.

The terms are in compliance with Section 186(7) of the Companies Act, 2013.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.9 Contingent liabilities ₹ Crores

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
a)	Claims against the Company not acknowledged as debts (net)		
	i) Sales tax / VAT / GST #	246.25	272.92
	ii) Excise duty #	8.68	8.19
	iii) Service Tax #	110.80	60.16
	iv) Customs Duty #	0.43	0.43
	v) Income tax $	142.95	155.55
	vi) Others	42.97	40.23
	$These relates to issues of deductibility and taxability in respect of which the Company 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 Company on account of issues of applicability and classification.		
b)	Corporate guarantees given to others for loans taken by subsidiaries and a joint venture company	422.29	302.00
	Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.		

Note:

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.

3.10 Commitments ₹ Crores

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
a)	Capital commitments (net of advances) not provided for	313.43	276.08
	[including ₹ 19.55 Crores (March 2021: ₹ 25.08 Crores) in respect of intangible assets]		
b)	Uncalled liability on partly paid shares / investments [Refer Note 1.3]	27.00	27.00
c)	Other commitments		
	i) Financial support given to certain subsidiaries, joint ventures, etc.		
	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.

3.11 Details of Non-current borrowings

₹ Crores

	As at March 31, 2022				As at March 31, 2021		
	Non-current	Current Maturities	Total	Particulars of Redemption / Repayment	Non-current	Current Maturities	Total
a. Secured borrowings:							
i. Term loans:							
TL - 12	400.00	100.00	500.00	Repayable annually in 5 equal installments starting from September 9, 2022	500.00	-	500.00
TL - 13	300.00	-	300.00	Repayable annually in 4 equal installments starting from May 12, 2023	300.00	-	300.00
TL - 14	62.50	25.00	87.50	Repayable semi annually in 8 equal installments starting from February 28, 2022	87.50	12.50	100.00
TL - 15	100.00	-	100.00	Repayable quarterly in 20 installments of varying amounts starting from July 1, 2023	100.00	-	100.00
TL - 16	200.00	-	200.00	Repayable annually in 5 equal installments starting from March 25, 2025	-	-	-
TL - 17	237.50	12.50	250.00	Repayable semi annually in 12 installments of varying amounts starting from September 30, 2022	-	-	-
	1,300.00	**137.50**	**1,437.50**		**987.50**	**12.50**	**1,000.00**
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 after the end of 3 years.	-	-	-
Series 2	200.00	-	200.00	Bullet repayment at the end of 3 years from the date of allotment i.e. June 25, 2023	200.00	-	200.00
Series 1	400.00	-	400.00	Bullet repayment at the end of 3 years from the date of allotment i.e. May 19, 2023	400.00	-	400.00
	800.00	**-**	**800.00**		**600.00**	**-**	**600.00**
iii. SIPCOT Soft loan	31.18	-	31.18	August 1, 2025	31.18	-	31.18
	31.18	**-**	**31.18**		**31.18**	**-**	**31.18**

3.11 Details of Non-current borrowings: (Contd.)

(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 ₹500 crores.

(ii) TL - 13 - Term loan was secured by way of first ranking charge on the specified plant and machinery of three manufacturing units of the 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 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 a manufacturing unit of the Company located at Pantnagar to the extent of 1.25 times of the amount of loan.

(v) TL -16 - Term loan will be secured (within the stipulated time) by way of *pari passu* charge on all the plant and machinery (both present and future) of the Company to the extent of ₹ 200 crores.

(vi) TL -17 - Term loan will be secured (within the stipulated time) by way of *pari passu* charge on all the plant and machinery (both present and future) of the Company to the extent of 1.10 times of the amount of loan.

(vii) NCD - Series 1 - 8% AL 2023 are secured by way of first ranking charge over specific plant and machinery of manufacturing and research and development units situated at Ennore and Vellivoyalchavadi and specific immovable properties of manufacturing unit at Ennore to the extent of 1.10 times of the amount of debentures.

(viii) NCD - Series 2 - 7.65% AL 2023 are secured by way of First Ranking charge over specific plant and machinery of three manufacturing units situated at Hosur and specific immovable properties situated at manufacturing unit at Ennore to the extent of 1.10 times of the amount of debentures.

(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, Unit 2 to the extent of 1.10 times of the amount of debentures.

(x) The above SIPCOT soft loan shall be secured by way of first charge on the fixed assets created / proposed to be 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, 2022				As at March 31, 2021		
			Non-current	Current Maturities	Total	Particulars of Redemption / Repayment	Non-current	Current Maturities	Total
b.	**Unsecured borrowings:**								
	i.	ECB Loans							
		ECB -16	152.24	-	152.24	Repayable annually in 3 equal installments starting from November 18, 2023	147.83	-	147.83
		ECB -15	101.06	50.53	151.59	Repayable annually in 3 equal installments starting from February 28, 2023	146.22	-	146.22
		ECB -14	404.22	202.11	606.33	Repayable annually in 3 equal installments starting from September 23, 2022	584.88	-	584.88
			657.52	**252.64**	**910.16**		**878.93**	**-**	**878.93**
	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 8.45% p.a. (March 31, 2021: 8.43% p.a). The weighted average rate of interest of these loans is around 7.53% p.a (2020-21: 7.66% p.a).

3.12 Details of current borrowings

a. Secured borrowings

The company has no outstanding secured borrowings as at March 31, 2022 (March 31, 2021: NIL).

Working capital demand loan from banks 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, 2021: ₹ 2,000 crores)

₹ Crores

	As at March 31, 2022	Particulars of Repayment	As at March 31, 2021
b. Unsecured borrowings			
i. - STL 21	-	Repaid on September 9, 2021	170.00
ii. - STL 22	-	Repaid on various dates in October, 2021	500.00
iii. - STL 23	-	Repaid on August 18, 2021	150.00
iv. - STL 24	150.00	Repayable on August 30, 2022	-
	150.00		**820.00**
i. - Bills discounted	116.83	Repayable / Repaid on various dates upto October 2022 / September 2021	91.13
ii. - Commercial paper	-	Repaid on June 7, 2021	250.00
	116.83		**341.13**

The above outstanding borrowings carry varying rates of interest with the maximum rate of interest going upto 4.70% p.a (March 31, 2021: 9.10 % p.a). The weighted average rate of interest of these borrowings is around 4.70% (2020-21: 5.98%) p.a.

The carrying value of the above borrowings (as reflected in Notes 1.17 and 1.22) 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, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
3.13.1 Auditors' remuneration		
Included under selling and administration expenses - net [Refer Note 2.7]		
i) For financial audit	1.30	1.30
ii) For other services - limited review, certification work, etc.	0.80	0.81
iii) For reimbursement of expenses	0.05	0.09
3.13.2 Total research and development costs charged to the Statement of Profit and Loss [including amount shown under Note 2.7]	554.03	594.49
3.13.3 Impact of exchange (gain) / loss for the year in the Statement of Profit and Loss due to:		
a) Translation / settlement (net) *	(6.44)	(25.01)
b) Exchange difference on swap contracts *	17.10	23.94
* Included under selling and administration expenses - net [Refer Note 2.7]		
c) Depreciation on exchange difference capitalised #	62.75	68.48
# Included under depreciation and amortisation expense [Refer Note 2.6]		

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 2022	March 2021
i) Principal amount paid after appointed date during the year	176.70	16.19
ii) Amount of interest due and payable for the delayed payment of principal amount	-	0.14
iii) Principal amount remaining unpaid as at year end (over due)	2.95	2.26
iv) Principal amount remaining unpaid as at year end (not due)	56.59	34.67
v) Interest due and payable on principal amount unpaid as at the year end	0.09	0.02
vi) Total amount of interest accrued and unpaid as at year end	0.30	0.25
vii) Further interest remaining due and payable for earlier years	0.21	0.09

3.15 CSR Expenditure:

₹ Crores

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
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)	17.34	45.86
Amount of expenditure incurred		
(i) Construction / acquisition of any asset	-	-
(ii) Ongoing projects*	12.23	33.85
(iii) On purposes other than (i) & (ii) above**	5.11	12.01
Total amount of expenditure incurred	17.34	45.86
*Includes amount to be deposited in earmarked bank account for designated ongoing projects as at the end of the year (subsequently deposited in April 2022 / April 2021 respectively)	0.32	15.51
**Includes amount to be deposited in specific fund as mentioned in Schedule VII (relating to other than ongoing projects) as at the end of the year	0.09	0.17
Shortfall if any excluding amounts transferable to earmarked bank account / schedule VII	-	-
Total of previous years shortfall	-	11.59
Reason for shortfall	Not applicable	Not applicable
Nature of CSR activities	Education, Environmental sustainability, Eradicating hunger, poverty, malnutrition and preventive health care, and COVID-19	Education, Environmental sustainability, Eradicating hunger, poverty, malnutrition and preventive health care, measures for benefit of armed forces veterans and COVID-19
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	15.51	-
Addition for the year	-	15.51
Utilisation from the balance for the year	5.92	-
Closing balance of earmarked bank account relating to CSR activities	9.59	15.51
Opening balance of provision relating to CSR activities	15.68	-
Addition	0.41	15.68
Utilisation	6.09	-
Closing balance of provision relating to CSR activities	10.00	15.68

3.16 Goodwill

₹ Crores

Particulars	As at March 31, 2022	As at March 31, 2021
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 16% (March 2021: 13%) and terminal growth rate of 3% (March 2021: 2%) 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 1B.16 and 1C.

3.17 Financial Ratios

Ratios	FY 2021-2022	FY 2020-2021	% of Change
Debt equity ratio	0.49	0.54	-9%
Debt service coverage ratio	3.58	1.52	136%
Current ratio	0.99	0.90	10%
Trade receivable turnover ratio	7.32	7.64	-4%
Inventory turnover ratio	7.95	6.75	18%
Trade payable turnover ratio	3.18	3.44	-7%
Net capital turnover ratio	(48.22)	(12.76)	278%
Return on capital employed (%)	2.51%	-2.28%	-210%
Return on equity (%)	7.57%	-4.41%	-272%
Net profit margin %	2.50%	-2.05%	-222%

The Company earns a return on investment ranging from 3% to 6% p.a. on fixed deposit and mutual funds.

The reason for change in ratios by more than 25% is mainly due to higher volumes and profitability achieved during year ended March 31, 2022 in comparison with year ended March 31, 2021.

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	Current liabilities
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	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 assets 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 not advanced or loaned or invested funds to any other person(s) or entity(ies), 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 Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

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.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 Impairment loss reversal in Optare PLC

The Company holds 91.63% equity stake in Optare Plc and has invested ₹ 931.58 crores till March 31, 2022. Optare Plc has around 98.90% stake in Switch Mobility Limited, UK and Switch Mobility Limited, UK in turn holds 100% stake in Switch Automotive Mobility Limited (India), with focus on manufacture and sale of electric commercial vehicles globally. Till March 31, 2021, the Company has recognised an impairment of ₹ 781.19 Crores against the equity investment made in Optare Plc.

As at March 31, 2022, the Company identified certain triggers for reversal of the previously recorded impairment based on both external and internal indicators.

The key drivers for this improved outlook include:

- Improved market conditions especially on account of growing demand for adoption of electric vehicles.
- Product positioning in markets where it did not have a presence earlier
- Global Sourcing and Cost reduction initiatives
- Restructuring of operations

Considering above factors, the recoverable amount has been determined using fair value less costs of disposal which is based on recent equity infusion by an external investor in Switch Mobility Limited, UK at a valuation of approximately $ 1.6 Bn and the interest shown by potential investors in Switch Mobility Limited, UK which indicates that the fair value of the investment is significantly higher than the cost of investment in the books.

The fair value of investment determined is also supported by a report obtained from an independent valuer. The fair value less cost of disposal has been determined using a discounted cash flow model, which requires the use of assumptions. The valuation is considered to be Level 3 in the fair value hierarchy. The calculations include cash flow projections based on financial budgets for the next nine years, approved by the Board. Cashflows beyond the nine years period are extrapolated using the estimated growth rate of 1.5% and post-tax discount rate of 15% has been used. Other Key assumptions include revenue growth rate and EBITDA margins. The management believes that any reasonable further change in the key assumptions (if revenue and EBIITDA changes by 5% - 10%) on which recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount. The fair value range obtained by discounted cash flow model is also corroborated by the fair value of similar companies listed in global stock exchanges.

Based on the above the Company has reversed the impairment of ₹ 781.19 crores and ₹ 33.26 crores of provisions for obligations in the current financial year.

3.26 The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

3.27 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.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number - 304026E/E-300009
Chartered Accountants

A.J. Shaikh
Partner
Membership Number - 203637

May 19, 2022
Chennai

For and on behalf of the Board of the Directors

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN : 01746102

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

N. Ramanathan
Company Secretary

May 19, 2022
Chennai

INDEPENDENT AUDITORS' REPORT

Consolidated

To the Members of Ashok Leyland Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

1. We have audited the accompanying consolidated Ind AS 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 Ind AS financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, 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 a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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, 2022, of consolidated total comprehensive loss (comprising of loss and other comprehensive loss), 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 "Auditors' Responsibilities for the Audit of the Consolidated Ind AS 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 Ind AS 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 Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Impairment</td></tr>
<tr><td>Fair value of investment in other equity instruments of the Holding Company

(Refer to Note 1B.19 and Note 1C to the consolidated Ind AS financial statements regarding the recognition, valuation and disclosure methods of equity instruments in others' and 'Critical accounting judgements and key sources of estimation uncertainty' respectively)

In the consolidated Ind AS financial statements of the Company, equity investments of the Holding Company in others is ₹ 109.66 crores valued at fair value on a recurring basis, and where no listed price in an active market is available.

The valuation of these other equity instruments is a key audit matter as the determination of fair value involves significant management judgement as no active market, observable inputs are available.

The key inputs and judgements involved in the model for fair value assessment of investments include future cash flows of the respective entities, the discount rate and the long-term growth rates used.</td><td>As part of our audit, our procedures included the following:
• We obtained an understanding and assessed the design, implementation and operating effectiveness of management's relevant internal controls to identify whether there are any indicators of impairment and where such indicators exists, the method by which the recoverable amount is determined by the management. Specifically, we focused on management controls to conclude on the appropriateness of future cash flows (including terminal cash flow) and key assumptions used in arriving at the recoverable amount and fair value, as applicable.
• We evaluated the following:
- Terminal growth rate by comparing with the long-term outlook based on the relevant macroeconomic outlook for the geography in which the entities are operating.
- Board approved budgets considering growth and other cash flow projections provided by the Holding Company's management and compared these with the actual results of earlier years to assess the appropriateness of forecast.
- The competence, capabilities and objectivity of the management's expert involved in the valuation process.
• 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 consolidated Ind AS financial statements.
Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in relation to the fair value of investment in other equity instruments of the Holding Company.</td></tr>
</table>

Also refer to the Key Audit Matters included by us in our audit report of even date on the Standalone Ind AS financial statements of the Holding Company.

5. The following Key Audit Matters were included in the audit report dated May 17, 2022, 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
I. Impairment of Financial Assets	
Management estimates impairment provision using Expected Credit loss (ECL) model for the loan exposure as per the Board approved policy which is in line with Ind AS and the applicable Regulations. Measurement of impairment of loans involve application of significant management judgement. The most significant judgements are: • Timely identification and classification of the impaired loans, including classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of RBI's regulatory circulars • Determination of Exposure at default (EAD), probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors. • Assessment of qualitative factors having an impact on the credit risk. • The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans. The disclosures made in the standalone financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL involve increased level of audit focus. The aforesaid involves significant management estimates/ judgements and hence identified as Key Audit Matter.	Principal audit procedures performed: These procedures included, but not limited, to the following: • We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the borrowers. • We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates, management's monitoring of model validation and production of journal entries and disclosures • We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2022 by reconciling it with the balances as per loan balance register and loan commitment report as on that date. • We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. • Tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records. • For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD. • For exposure determined to be individually impaired, we tested samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations. • We performed an overall assessment of the ECL provision levels at each stage including management's assessment and provision on account of Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. • We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.
II. Valuation of Financial Instruments	
Financial Instruments carried at Fair value and measured at fair value through other comprehensive income, account for a significant part of the Company's assets. The valuation of the Company's financial instruments is based on a combination of market data and valuation models which often require significant management judgement. The most significant judgements are: • Assessing the fair value of financial instruments based on the significant degree of judgement exercised by management in determining the inputs used in the valuation.	Our audit procedures in relation to fair valuation of financial instruments were focused on obtaining sufficient appropriate audit evidence as to whether the fair valuation of financial instruments recognised in the financial statements were reasonable and the related disclosures in the standalone financial statements made by the management were adequate. These procedures included, but not limited, to the following: • Obtain an understanding of the fair valuation methodology and • Testing the design and operating effectiveness of controls over (1) the management's methodology for determining Fair Value, including consideration of the current and estimated future economic conditions (2) the completeness and accuracy of information used in determining Fair Value.

6. The following Key Audit Matters were included in the audit report dated May 18, 2022, containing an unmodified audit opinion on the consolidated 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 description	How our audit addressed the key audit matter
I. 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 below their cost. 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 the valuation of inventories as a key audit matter because of the exercise of significant judgement by management in determining appropriate carrying value of 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 inventories as at the reporting date.
II. Recoverability of rental and trade receivables	
Assessing the allowance for impairment of Rental and Trade receivables remains one of the significant judgements made by management particularly in light of the uncertain economic outlook in Sri Lanka due to the ongoing economic crises within the country and the impact of Global COVID-19 outbreak. We identified assessing the recoverability of trade debtors as a key audit matter because of the significance of trade debtors to the financial statements as a whole and the assessment of the recoverability of trade debtors is inherently subjective and requires significant management judgement in accordance with SLFRS 09, which increases the risk of error or potential management bias. Management provisioning methodology is based on an Expected Credit Loss (ECL) model as required under SLFRS 9 "Financial Instruments".	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 calculation for the impairment allowance determined based on 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 judgments, 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.

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 (i.e. Board's report, Report on Corporate Governance and Management Discussion and Analysis Report) but does not include the consolidated Ind AS financial statements and our auditors' report thereon.

   Our opinion on the consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 16 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS 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 its associates and joint ventures 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated Ind AS 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.

Auditors' Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 consolidated Ind AS 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 Ind AS 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 Ind AS 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 auditors' report to the related disclosures in the consolidated Ind AS 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 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 Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 Ind AS

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 Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS 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 Ind AS 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 Ind AS 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 seven subsidiaries included in the consolidated financial statements, whose financial statements/ financial information reflect total assets of ₹ 26,497.59 crores and net assets of ₹ 4,056.18 crores as at March 31, 2022, total revenue of ₹ 5,458.13 crores, total net profit after tax of ₹ 23.31 crores, total comprehensive loss (comprising of profit and other comprehensive loss) of ₹ 180.44 crores and net cash flows amounting to ₹ 88.88 crores for the year ended March 31, 2022, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit after tax of ₹ 7.51 crores and total comprehensive income (comprising of profit and other comprehensive income) of ₹ 7.58 crores for the year ended March 31, 2022, as considered in the consolidated Ind AS 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 Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture 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 whose financial information reflect total assets of ₹ 291.77 crores and net assets of ₹ 28.80 crores as at March 31, 2022, total revenue of ₹ 485.48 crores, total net profit after tax of ₹ 6.47 crores, total comprehensive income (comprising of profit and other comprehensive loss) of ₹ 6.08 crores and net cash flows of ₹ (2.63) crores for the year ended March 31, 2022, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit after tax of ₹ 0.10 crores and total comprehensive income (comprising of profit and other comprehensive loss) of ₹ Nil for the year ended March 31, 2022, as considered in the consolidated Ind AS financial statements, in respect of one joint venture 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 Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint venture 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, and a joint venture, 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS 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, 2022 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, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to 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.

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

i. The consolidated Ind AS 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 Ind AS financial statements.

ii. The Group, its associate companies and joint ventures were not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract including derivative contracts.

iii. During the year ended March 31, 2022, there were no amounts which were 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.

iv. (a) The respective Managements of the Company and its subsidiaries, joint venture 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 venture and associate companies respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, 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 or any of such subsidiaries, joint venture and associate companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 venture 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 venture 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 venture and associate companies respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company or any of such subsidiaries, joint venture 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 venture 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 venture 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 auditors' 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 is in compliance with Section 123 of the Act.

20. Except for managerial remuneration aggregating to ₹ 17.81 crores, the managerial remuneration paid/ provided for by the Group, its associate companies and joint ventures is in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act. As stated in Note 3.9 to the consolidated Ind AS financial statements, the Holding Company will place the managerial remuneration paid/ provided in excess of the limits before the shareholders for their approval in the ensuing annual general meeting.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 22203637AJGWKH9069

Place: Chennai
Date: May 19, 2022

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 19 (f) of the Independent Auditors' Report of even date to the members of Ashok Leyland Limited on the consolidated Ind AS financial statements for the year ended March 31, 2022

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 Ind AS financial statements of the Company as of and for the year ended March 31, 2022, 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 a joint venture company incorporated in India namely Ashok Leyland John Deere Construction Equipment Company 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 Ind AS 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, 2022, based on 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.

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 21 (f) of the Independent Auditors' Report of even date to the members of Ashok Leyland Limited on the consolidated Ind AS financial statements for the year ended March 31, 2022

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 nine 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
Chartered Accountants

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 22203637AJGWKH9069

Place: Chennai
Date: May 19, 2022

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	5,317.15	5,630.26
Capital work-in-progress	1.1	139.38	233.27
Right-of-use asset	1.1a	427.29	417.16
Goodwill (including consolidation)		1,031.83	1,240.77
Other Intangible assets	1.2	1,118.31	1,196.03
Intangible assets under development	1.2	100.63	102.27
Investments - Accounted for using equity method	1.3	46.60	41.28
Financial assets			
(i) Investments	1.3	951.89	809.83
(ii) Trade receivables	1.4	0.03	0.31
(iii) Loans	1.5	14,890.73	15,436.14
(iv) Other financial assets	1.6	397.57	505.67
Deferred tax assets (net)	1.7	27.13	8.91
Income tax assets (net)	1.8	198.70	175.22
Other non-current assets	1.9	339.29	350.89
		24,986.53	**26,148.01**
Current assets			
Inventories	1.10	2,540.55	2,495.85
Financial assets			
(i) Investments	1.11	1,653.63	244.52
(ii) Trade receivables	1.12	3,278.76	3,020.91
(iii) Cash and cash equivalents	1.13a	2,030.96	1,481.04
(iv) Bank balances other than (iii) above	1.13b	68.48	297.49
(v) Loans	1.14	6,818.03	6,237.04
(vi) Other financial assets	1.15	922.45	1,114.88
Contract Assets	1.16	21.84	19.72
Other current assets	1.17	1,215.92	1,007.41
		18,550.62	**15,918.86**
Asset classified as held for sale	1.17A	63.63	-
TOTAL ASSETS		**43,600.78**	**42,066.87**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1.18	293.55	293.55
Other equity	1.19	7,010.34	7,568.47
Equity attributable to owners of the Company		**7,303.89**	**7,862.02**
Non-controlling interest		1,286.27	1,268.28
Total equity		**8,590.16**	**9,130.30**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1.20	15,297.30	15,564.63
(ii) Lease Liabilities		160.57	145.45
(iii) Other financial liabilities	1.21	143.20	171.55
Contract liabilities	1.22	193.83	215.67
Provisions	1.23	283.99	229.38
Deferred tax liabilities (net)	1.24	315.83	386.09
		16,394.72	**16,712.77**
Current liabilities			
Financial liabilities			
(i) Borrowings	1.25	8,642.05	8,325.48
(ii) Lease Liabilities		45.10	41.61
(iii) Trade payables	1.26		
a) Total outstanding dues of micro enterprises and small enterprises		62.63	38.86
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,187.28	5,307.37
(iv) Other financial liabilities	1.27	1,188.06	1,201.16
Contract liabilities	1.28	498.75	473.79
Provisions	1.29	532.68	579.48
Other current liabilities	1.30	323.75	202.25
Current tax liabilities (net)	1.31	123.82	53.80
		18,604.12	**16,223.80**
Liabilities directly associated with assets classified as held for sale	1.17B	11.78	-
TOTAL EQUITY AND LIABILITIES		**43,600.78**	**42,066.87**

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
Chartered Accountants

A.J. Shaikh
Partner
Membership Number - 203637

May 19, 2022
Chennai

For and on behalf of the Board of Directors

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

N. Ramanathan
Company Secretary

May 19, 2022
Chennai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note	Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
Income			
Revenue from operations	2.1	26,237.15	19,454.10
Other income	2.2	86.81	131.16
Total Income		**26,323.96**	**19,585.26**
Expenses			
Cost of materials and services consumed		16,619.60	11,768.86
Purchases of stock-in-trade		945.42	807.62
Changes in inventories of finished goods, stock-in-trade and work-in-progress		48.24	(529.10)
		17,613.26	**12,047.38**
Employee benefits expense	2.3	2,616.76	2,159.43
Finance costs	2.4	1,869.05	1,900.64
Depreciation and amortisation expense	2.5	865.96	835.62
Other expenses	2.6	3,241.89	2,784.85
Total Expenses		**26,206.92**	**19,727.92**
Profit / (Loss) before Share of profit / (loss) of associates and joint ventures, exceptional items and tax		**117.04**	**(142.66)**
Share of profit / (Loss) of associates and joint ventures (net)		7.52	(0.50)
Profit / (Loss) before exceptional items and tax		**124.56**	**(143.16)**
Exceptional items	2.7	(324.15)	76.08
Loss before tax		**(199.59)**	**(67.08)**
Tax expense:			
Current tax - charge		102.65	63.09
Deferred tax - credit		(16.79)	(60.57)
		85.86	**2.52**
Loss for the year		**(285.45)**	**(69.60)**
Other Comprehensive (Loss) / Income			
A (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of defined benefit plans		(39.57)	8.34
- Share of other comprehensive income in associates and joint ventures		0.06	0.09
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		13.75	(2.86)
B (i) Items that will be reclassified to Profit or Loss			
- Exchange differences in translating the financial statements of foreign operations		4.71	(7.57)
- Effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge		34.99	3.81
- Gain / (Loss) on fair valuation of loans relating to financing activities		(278.36)	408.18
- Change in allowances for expected credit loss relating to financing activities		-	-
- Share of other comprehensive income in associates and joint ventures		(10.75)	(3.16)
(ii) Income tax relating to items that will be reclassified to Profit or Loss		57.83	(104.07)
Total Other Comprehensive (Loss) / Income		**(217.34)**	**302.76**
Total Comprehensive (Loss) / Income for the year		**(502.79)**	**233.16**
(Loss) / Profit for the year attributable to			
Owners of the Company		(358.61)	(165.23)
Non-controlling interests		73.16	95.63
Other Comprehensive (Loss) / Income for the year attributable to			
Owners of the Company		(152.96)	207.75
Non-controlling interests		(64.38)	95.01
Total Comprehensive (Loss) / Income for the year attributable to			
Owners of the Company		(511.57)	42.52
Non-controlling interests		8.78	190.64
Loss per equity share (Face value ₹ 1 each)	3.4		
- Basic (in ₹)		(1.22)	(0.56)
- Diluted (in ₹)		(1.22)	(0.56)

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
Chartered Accountants

A.J. Shaikh
Partner
Membership Number - 203637

May 19, 2022
Chennai

For and on behalf of the Board of Directors

Gopal Mahadevan
Whole-time Director and Chief Financial Officer
DIN: 01746102

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

N. Ramanathan
Company Secretary

May 19, 2022
Chennai

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
		₹ Crores	₹ Crores
Cash flow from operating activities			
Loss for the year		**(285.45)**	**(69.60)**
Adjustments for :			
Income tax expense		85.86	2.52
Share of (profit) / loss of associates and joint ventures (net)		(7.52)	0.50
Depreciation and amortisation expense		816.00	788.23
Depreciation of right-of-use asset		49.96	47.39
Share based payment costs		0.64	22.41
Impairment in value of goodwill and net assets of subsidiaries		236.91	-
Provision relating to EMAAS business classified as asset held for sale		26.84	-
Loss in relation to transfer of EV business		3.02	-
Reversal of Provision for Obligation		(81.00)	-
Obligation relating to discontinued products of LCV division (net of reversal)		3.67	(78.76)
Reversal of provision relating to sale of long term investments		(1.17)	-
Impairment loss allowance / write off on trade receivable / other receivables / loans (net)		(12.96)	(10.93)
Net (gain) / loss arising on financial asset mandatorily measured at FVTPL		(1.14)	4.61
Foreign exchange gain		(4.40)	(30.85)
Exchange loss on swap contracts		17.10	23.94
Profit on sale of Property, plant and equipment (PPE) and intangible assets - net		(0.93)	(4.35)
Profit on sale of immovable property		-	(6.92)
Profit on sale of investments - net		(13.31)	(6.91)
Loss on fair valuation of Investment		107.13	-
Gain on disposal of interest in a former Joint Venture		-	(76.39)
Gain on preclosure of leases		(0.14)	(0.10)
Finance costs		334.94	335.13
Interest income		(27.73)	(95.47)
Operating profit before working capital changes		**1,246.32**	**844.45**
Adjustments for changes in :			
Trade receivables		(254.12)	(1,554.28)
Inventories		(47.53)	(959.46)
Non-current and current financial assets		56.88	(1,274.03)
Other non-current and current assets		(203.94)	(71.77)
Payment to escrow account		(9.59)	(0.75)
Contract Assets		(2.12)	2.00
Related party advances / receivables (net)		(6.11)	(0.12)
Trade payables		1,915.84	2,061.54
Non-current and current financial liabilities		46.78	(23.25)
Other current liabilities		96.82	115.73
Non-current and current contract liabilities		4.84	(160.14)
Other non-current and current provisions		56.71	(82.02)
Cash generated from / (used in) operations		**2,900.78**	**(1,102.10)**
Income tax paid (net of refund)		(56.22)	36.97
Net cash from / (used in) operating activities	**[A]**	**2,844.56**	**(1,065.13)**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
		₹ Crores	₹ Crores
Cash flow from investing activities			
Purchase of PPE and intangible assets		(508.72)	(751.67)
Proceeds on sale of PPE and intangible assets		9.49	25.69
Proceeds on surrender of Leasehold land		97.61	-
Purchase of controlling stake in a subsidiary		-	(70.20)
Proceeds from sale of non-current investments		0.07	-
Purchase of non-current investments		(2.50)	(18.67)
(Purchase of) / Proceeds from sale of current investments (net)		(1,283.82)	6.91
Proceeds from sale of non-current investments relating to financing activities		627.07	364.92
Purchase of non-current investments relating to financing activities		(876.33)	(489.00)
Proceeds from sale of current investments relating to financing activities		170.29	146.40
Purchase of current investments relating to financing activities		(281.35)	(207.68)
Proceeds from bank deposits		752.61	3.63
Investment in bank deposits		(663.71)	(604.56)
Redemption of escrow account		2.82	-
Inter Corporate Deposits given		-	(300.00)
Inter Corporate Deposits repaid		-	800.00
Interest received		39.80	103.13
Net cash used in investing activities	**[B]**	**(1,916.67)**	**(991.10)**
Cash flow from financing activities			
Issues of shares to Non-controlling interest shareholders		137.77	2.81
Purchase of stake in a subsidiary		-	(90.48)
Proceeds from non-current borrowings		9,006.81	9,508.25
Repayments of non-current borrowings		(8,173.75)	(7,576.35)
Proceeds from current borrowings		5,249.79	6,490.87
Repayments of current borrowings		(6,066.60)	(6,665.71)
Payment of lease liability		(50.55)	(40.89)
Interest paid		(304.97)	(297.83)
Dividend paid and tax thereon		(176.13)	-
Net cash (used in) / from financing activities	**[C]**	**(377.63)**	**1,330.67**
Net cash inflow / (outflow)	**[A+B+C]**	**550.26**	**(725.56)**
Opening cash and cash equivalents		**1,481.04**	**2,188.24**
Add - Pursuant to business combination		-	9.37
Exchange fluctuation on foreign currency bank balances		(0.34)	8.99
Closing cash and cash equivalents (Refer Note 1.13 a)		**2,030.96**	**1,481.04**
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
Chartered Accountants

A.J. Shaikh
Partner
Membership Number - 203637

May 19, 2022
Chennai

For and on behalf of the Board of Directors

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

N. Ramanathan
Company Secretary

May 19, 2022
Chennai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

₹ Crores

Balance as at the beginning of April 1, 2020	Changes in equity share capital during the year	Balance as at the end of March 31, 2021	Changes in equity share capital during the year	Balance as at the end of March 31, 2022
293.55	-	293.55	-	293.55

B. Other Equity

₹ Crores

Particulars	Reserves and Surplus							Items of Other comprehensive income				
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Share Options Outstanding Account	General Reserve	Statutory Reserve	Retained Earnings	Foreign Currency Translation Reserve	Fair Valuation of Loans 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, 2020	**263.87**	**2,007.11**	**3.33**	**25.67**	**1,018.33**	**181.95**	**3,719.38**	**8.21**	**282.64**	**(15.23)**	**7,495.26**	**1,107.08**
(Loss) / Profit for the year	-	-	-	-	-	-	(165.23)	-	-	-	(165.23)	95.63
Other comprehensive income	-	-	-	-	-	-	5.83	(10.73)	210.17	2.48	207.75	95.01
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(159.40)**	**(10.73)**	**210.17**	**2.48**	**42.52**	**190.64**
Transactions with owners												
On issue of equity shares	-	2.81	-	-	-	-	-	-	-	-	2.81	-
Recognition of share based payments	-	-	-	18.71	-	-	-	-	-	-	18.71	-
Issue of equity shares to Non-controlling interest (NCI) and change in interests between the owners and NCI	-	2.37	-	0.19	-	(16.46)	23.01	0.06	-	-	9.17	(29.44)
Transfer to/from retained earnings	-	-	-	-	-	67.54	(67.54)	-	-	-	-	-
Balance as at the end of March 31, 2021	**263.87**	**2,012.29**	**3.33**	**44.57**	**1,018.33**	**233.03**	**3,515.45**	**(2.46)**	**492.81**	**(12.75)**	**7,568.47**	**1,268.28**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

₹ Crores

Particulars	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, 2021	**263.87**	**2,012.29**	**3.33**	**44.57**	**1,018.33**	**233.03**	**3,515.45**	**(2.46)**	**492.81**	**(12.75)**	**7,568.47**	**1,268.28**
(Loss) / Profit for the year	-	-	-	-	-	-	(358.61)	-	-	-	(358.61)	73.16
Other comprehensive (loss) / income	-	-	-	-	-	-	(26.35)	(6.04)	(143.33)	22.76	(152.96)	(64.38)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(384.96)**	**(6.04)**	**(143.33)**	**22.76**	**(511.57)**	**8.78**
Transaction with owners												
Dividends including tax thereon	-	-	-	-	-	-	(176.13)	-	-	-	(176.13)	-
Recognition of share based payments	-	-	-	(0.24)	-	-	-	-	-	-	(0.24)	-
On issue of shares	-	1.13	-	-	-	-	-	-	-	-	1.13	-
Issue of equity shares to Non-controlling interest (NCI) and change in interests between the owners and NCI	-	(0.03)	-	(0.50)	-	(21.30)	150.77	(0.26)	-	-	128.68	9.21
Transfer to / from ESOP	-	0.13		(0.13)	-	-	-	-	-	-	-	-
Transfer to general reserves pursuant to lapse of ESOP	-	-	-	(2.22)	2.22	-	-	-	-	-	-	-
Transfer to / from retained earnings	-	-	-	-	-	68.18	(68.18)	-	-	-	-	-
Balance as at the end of March 31, 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**

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
Chartered Accountants

A.J. Shaikh
Partner
Membership Number - 203637

May 19, 2022
Chennai

For and on behalf of the Board of Directors

Gopal Mahadevan
Whole-time Director and Chief Financial Officer
DIN: 01746102

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

N. Ramanathan
Company Secretary

May 19, 2022
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 fourteen subsidiaries, two 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. Significant Accounting Policies

1B.1 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 19, 2022.

Recent accounting pronouncements:

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Schedule III Amendment applicable from April 1, 2021: On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The Group has prepared the financial statements in accordance with the said schedule.

The significant accounting policies are detailed below.

1B.2 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.

1B.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.

1B.4 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.

1B.5 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.

1B.6 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. 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 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., warranties, freight & insurance 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 is 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 warranty services, free services, AMC and freight and insurance 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. Rebates are offset against amounts payable by the customer. 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 1B.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.

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.

1B.7 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 1B.19 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 ₹ 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).

1B.8 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.

1B.9 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.

1B.10 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.

1B.11 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.

1B.12 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.

1B.13 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.

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.

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.

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 realiably.

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. 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.

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	5 / 10	8
- Cars and motorcycles	3	8 / 10
Office equipment	8	5
Office equipment - Data processing system (including servers)	5	6

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.

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.

1B.14 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. 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.

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.

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.

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

1B.15 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.

1B.16 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, Group 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 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.

1B.17 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.

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.

1B.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.

1B.19 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

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

i) Gross fixed investment (% of GDP)

ii) Oil price

iii) Interest rates

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 condition

  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 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 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 hedging 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.

1B.20 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.

1B.21 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.

1B.22 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 financial statements.

1C. 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. During the year, based on the impairment assessment carried out by the Group, the Management has determined that one of the subsidiaries require an impairment.

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 weightings, 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.

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)	01.04.2021	Additions	Adjustments*	Reclassified as assets held for Sale (Refer Note 1.17A)	Disposals / Adjustments	31.03.2022	01.04.2021	Charge during the year	Adjustments*	Disposals / Adjustments	Reclassified as assets held for Sale (Refer Note 1.17A)	31.03.2022	31.03.2022
Freehold land	793.58	0.64	-	-	(15.15)	779.07	-	-	-	-	-	-	779.07
Buildings	1,938.70	33.71	4.44	(0.98)	(14.24)	1,961.63	399.57	81.88	1.02	(14.20)	(0.09)	468.18	1,493.45
Buildings given on lease	13.24	-	-	-	-	13.24	1.50	0.29	-	-	-	1.79	11.45
Plant and equipment	5,470.30	302.33	0.13	(0.41)	(54.55)	5,717.80	2,439.95	467.93	0.41	(53.74)	(0.03)	2,854.52	2,863.28
Plant and equipment given on lease	0.04	-	-	-	-	0.04	0.02	#	-	-	-	0.02	0.02
Furniture and fittings	119.77	2.51	(0.90)	(0.12)	(4.01)	117.25	80.88	9.62	(0.13)	(3.89)	(0.03)	86.45	30.80
Furniture and fittings given on lease	0.25	-	-	-	-	0.25	0.25	-	-	-	-	0.25	-
Vehicles including electric vehicles	197.90	38.66	(2.51)	(84.93)	(9.54)	139.58	88.30	23.26	(0.26)	(6.21)	(17.78)	87.31	52.27
Aircraft given on lease	77.99	-	-	-	-	77.99	44.43	9.74	-	-	-	54.17	23.82
Office Equipment	227.43	17.68	0.64	(0.06)	(4.72)	240.97	154.38	28.57	(0.12)	(4.54)	(0.01)	178.28	62.69
Electrical and other installations on lease hold premises	1.47	-	-	-	-	1.47	1.13	0.04	-	-	-	1.17	0.30
TOTAL	**8,840.67**	**395.53**	**1.80**	**(86.50)**	**(102.21)**	**9,049.29**	**3,210.41**	**621.33**	**0.92**	**(82.58)**	**(17.94)**	**3,732.14**	**5,317.15**

Description	01.04.2021	Additions / Adjustments	Capitalised during the year**	Reclassified as assets held for sale (Refer Note 1.17A)	31.03.2022
Capital work-in-progress (CWIP)	233.27	250.40	(343.48)	(0.81)	139.38

* Adjustments include currency movements relating to foreign operations.

** Amount of ₹ 52.05 crores directly capitalised in Property, plant and equipment.

CWIP Ageing Schedule

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	125.26	2.57	2.22	9.33	139.38

of the above there are no projects where the cost has exceeded the budget. Projects whose completion 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
Projects relating to certain facilities / infrastructure development	10.54	-	-	-	10.54

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 registerd 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, 2022 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 ₹ 217.76 crores and ₹ 191.20 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)	01.04.2020	Additions	Acquisition through business combination (Refer Note 3.19)	Adjustments*	Disposals / Adjustments	31.03.2021	01.04.2020	Charge during the year	Adjustments*	Disposals / Adjustments	Upto 31.03.2021	Upto 31.03.2021
Freehold land	754.23	39.35	-	-	-	793.58	-	-	-	-	-	793.58
Buildings	1,767.93	178.19	-	(4.13)	(3.29)	1,938.70	316.77	85.37	(0.79)	(1.78)	399.57	1,539.13
Buildings given on lease	13.23	0.01	-	-	-	13.24	1.21	0.29	-	-	1.50	11.74
Plant and equipment	4,796.48	647.60	0.54	45.28	(19.60)	5,470.30	1,966.93	439.55	50.85	(17.38)	2,439.95	3,030.35
Plant and equipment given on lease	0.04	-	-	-	-	0.04	0.02	#	-	-	0.02	0.02
Furniture and fittings	101.75	2.86	0.99	15.03	(0.86)	119.77	59.81	11.00	10.63	(0.56)	80.88	38.89
Furniture and fittings given on lease	0.25	-	-	-	-	0.25	0.25	-	-	-	0.25	-
Vehicles including electric vehicles	175.75	37.94	-	(0.10)	(15.69)	197.90	78.56	22.54	(1.43)	(11.37)	88.30	109.60
Aircraft given on lease	77.99	-	-	-	-	77.99	34.68	9.75	-	-	44.43	33.56
Office Equipment	200.88	16.99	0.65	9.53	(0.62)	227.43	116.48	31.15	7.26	(0.51)	154.38	73.05
Electrical and other installations on lease hold premises	1.46	0.01	-	-	-	1.47	1.07	0.06	-	-	1.13	0.34
TOTAL	**7,889.99**	**922.95**	**2.18**	**65.61**	**(40.06)**	**8,840.67**	**2,575.78**	**599.71**	**66.52**	**(31.60)**	**3,210.41**	**5,630.26**

Description	01.04.2020	Additions / Adjustments	Acquisition through business combination (Refer Note 3.19)	Capitalised during the year**	31.03.2021
Capital work-in-progress (CWIP)	442.12	623.72	0.13	(832.70)	233.27

* Adjustments include currency movements relating to foreign operations.

** Amount of ₹ 90.25 crores directly capitalised in Property, plant and equipment.

CWIP Ageing Schedule

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	168.73	36.98	18.81	8.75	233.27

There are no projects where the cost has exceeded the budget and whose completion is delayed as these are ongoing projects.

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 7 below)	Reason for not in the name of the Parent Company	Property in the name of
1	Toopran, Telangana	Freehold Land	Automotive Park, Toopran, Kallakal (V), Toopran (Mandal) Medak District, Telangana	60.00	15.15	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.	The Land was surrendered and handed over to the Authority by the Parent Company during the year ended March 31, 2022.
2	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)
3	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)
4	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 registerd 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, 2021 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 During the year, the Parent Company has commissioned a manufacturing plant at Mallavalli, Andhra Pradesh and an amount of ₹ 120.62 crores has been included in additions to Property, plant and equipment.

3 For details of assets given as security against borrowings, Refer Note 3.13.

4 For amount of contractual commitments for the acquisition of PPE, Refer Note 3.12(a).

5 Title to Freehold Land relating to a subsidiary at Jainamore, Jharkhand (carrying value ₹ 0.08 crores) is yet to be conveyed to the subsidiary.

6 Expenses capitalised ₹ 5.08 crores - Refer Notes 2.3, 2.4 and 2.6 to the Consolidated Financial statements.

7 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 ₹ 217.93 crores and ₹ 190.52 crores respectively.

1.1a RIGHT-OF-USE ASSET

₹ Crores

Description	Net Carrying Amount 01.04.2021	Additions	Adjustments**	Closure / Preclosure	Reclassified as held for Sale (Refer Note 1.17A)	Charge during the year	Net Carrying Amount 31.03.2022
Leasehold land	316.29	10.21	2.29	-	-	12.01	316.78
Buildings	63.10	17.82	(0.14)	2.59	-	20.66	57.53
Plant and equipment	7.47	-	-	-	5.87	1.01	0.59
Vehicles	3.98	17.49	0.42	-	-	5.44	16.45
Computer software	26.32	19.56	0.90	-	-	10.84	35.94
TOTAL	**417.16**	**65.08**	**3.47**	**2.59**	**5.87**	**49.96**	**427.29**

** 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 carring 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	10.77	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	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	210.00	90.99	87.16	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 leasehold 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)

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 1.83% to 8.30%
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.

1.1a RIGHT-OF-USE ASSET

₹ Crores

Description	Net Carrying Amount 01.04.2020	Additions	Acquisition through business combination (Refer Note 3.19)	Adjustments**	Closure / Preclosure	Charge during the year	Net Carrying Amount 31.03.2021
Leasehold land*	425.77	2.42	-	2.06	99.59	14.37	316.29
Buildings	59.79	6.47	17.71	0.79	4.74	16.92	63.10
Plant and equipment	6.90	1.58	-	-	-	1.01	7.47
Vehicles	2.49	4.47	-	(0.01)	0.16	2.81	3.98
Computer software	26.50	12.10	-	-	-	12.28	26.32
TOTAL	**521.45**	**27.04**	**17.71**	**2.84**	**104.49**	**47.39**	**417.16**

*A portion of leasehold land allotted by State Industries Promotion Corporation of Tamil Nadu (SIPCOT), taken over by the Parent Company pursuant to amalgamation, was surrendered subsequent to the date of balance sheet (March 31, 2021) and the same is classified as receivable from government authorities under other current financial asset (Refer Note 1.15).

** 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 7)	Net carring value (Refer Note 1.1 Sub Note 7)	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	10.91	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	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	210.00	90.99	88.13	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 leasehold 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)

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 3.50% to 8.50%
3. Rental amount per annum ranges from ₹ 0.01 crores to ₹ 1.36 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.

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)						AMORTISATION						NET CARRYING AMOUNT
Other Intangible Assets	01.04.2021	Additions	Adjustments*	Reclassification	Disposals / Adjustments	31.03.2022	01.04.2021	Charge during the year	Adjustments*	Disposals / Adjustments	Reclassification	31.03.2022	31.03.2022
Computer software													
- Developed	99.68	-	14.89	-	-	114.57	88.76	16.52	(0.20)	-	-	105.08	9.49
- Acquired	189.04	11.57	(18.12)	-	(0.74)	181.75	132.50	22.26	(0.91)	(0.74)	-	153.11	28.64
Technical knowhow													
- Developed	1,588.33	115.62	(9.15)	-	(44.98)	1,649.82	494.17	147.79	(1.12)	(44.89)	-	595.95	1,053.87
- Acquired	40.48	-	-	-	-	40.48	6.07	8.10	-	-	-	14.17	26.31
TOTAL	1,917.53	127.19	(12.38)	-	(45.72)	1,986.62	721.50	194.67	(2.23)	45.63	-	868.31	1,118.31

Description	01.04.2021	Additions / Adjustments	Capitalised during the year**	Reclassification	31.03.2022
Intangible assets under development	102.27	108.77	(110.41)	-	100.63

* Adjustments include currency movements relating to foreign operations.

** Amount of ₹ 16.78 crores directly capitalised in Intangible assets

Ageing of intangible assets under development (IAUD)

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	52.74	12.94	19.77	11.76	97.21
Projects temporarily suspended	-	3.42	-	-	3.42

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion is delayed is as follows:

For IAUD whose completion is overdue or has exceeded its cost compared to its original plan

Particulars	To be Completed In				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects relating to Technical knowledge - Product development	54.80	-	-	-	54.80

Notes:

1. Additions to Other Intangible assets and Intangible assets under development include:
   a) Expenses capitalised ₹ 100.70 crores - Refer Notes 2.3, 2.4 and 2.6 to the 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	01.04.2020	Additions	Acquisition through business combination (Refer Note 3.19)	Adjustments*	Disposals / Adjustments	31.03.2021	01.04.2020	Charge during the year	Adjustments*	Disposals	31.03.2021	31.03.2021
Computer software												
- Developed	99.68	-	-	-	-	99.68	70.33	18.49	-	(0.06)	88.76	10.92
- Acquired	180.59	5.04	2.14	1.33	(0.06)	189.04	113.28	18.27	0.95	-	132.50	56.54
Technical knowhow												
- Developed	1,327.00	250.96	-	10.37	-	1,588.33	343.95	145.69	4.53	-	494.17	1,094.16
- Acquired	-	40.48	-	-	-	40.48	-	6.07	-	-	6.07	34.41
TOTAL	**1,607.27**	**296.48**	**2.14**	**11.70**	**(0.06)**	**1,917.53**	**527.56**	**188.52**	**5.48**	**(0.06)**	**721.50**	**1,196.03**

Description	01.04.2020	Additions / Adjustments	Acquisition through business combination (Refer Note 3.19)	Capitalised during the year**	31.03.2021
Intangible assets under development	131.77	188.5	-	(218.00)	102.27

* Adjustments include currency movements relating to foreign operations.

** Amount of ₹ 78.48 crores directly capitalised in Intangible assets

Ageing of Intangible Assets under development (IAUD)

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	83.15	1.63	17.39	0.10	102.27

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion 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
Projects relating to Technical knowhow - Product development	82.82	-	-	-	82.82

Notes:

1. Additions to Other Intangible assets and Intangible assets under development include:
   a) Expenses capitalised ₹ 197.45 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, 2022		As at March 31, 2021	
		Nos	₹ Crores	Nos	₹ Crores
I) Investment in Equity Instruments (unquoted)(fully paidup 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)		50,27,567	5.03	50,27,567	5.03
Add : Group share of profit			8.57		4.66
Carrying amount of Investment			**13.60**		**9.69**
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			21.81		23.68
Less: Dividend Income			0.07		0.18
Carrying amount of Investment			**22.31**		**24.07**
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	7,34,47,693	44.01
Less : Group share of Loss			42.75		43.26
Carrying amount of Investment			**3.76**		**0.75**
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		13.34
Less: Impairment in value of investment (utilised from provision for obligation made in the prior years)			6.54		4.47
Carrying amount of Investment			-		-
3) Other investments in equity instruments (at fair value through profit or loss)					
a) Equity Shares of ₹ 10 each					
ARS Energy Private Limited		640	0.01	640	0.01
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 Note 3.26)		6,11,47,058	81.33	6,11,47,058	188.46
OPG Power Generation Private Limited		-	-	65,000	0.07
Kamachi Industries Limited		5,25,000	0.53	525,000	0.53
Prathama Solarconnect Energy Private Limited		1,86,56,912	18.67	1,86,56,912	18.67
b) Equity shares of ₹ 100 each partly paid-up					
Adyar Property Holding Co. Limited (₹ 65 paid up) [Cost ₹ 19,500] #		300	0.00	300	0.00
Total Investment in Equity Instruments (net)	A		**149.37**		**251.41**

	DESCRIPTION		As at March 31, 2022		As at March 31, 2021	
			Nos	₹ Crores	Nos	₹ Crores
II)	**Investment in Preference Shares (accounted for using equity method) (unquoted)**					
	Associates					
	6% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 10 each					
	Ashok Leyland Defence Systems Limited	B	1,00,00,000	6.89	1,00,00,000	6.73
III)	**Investment in Debentures (unquoted)**					
	Non-convertible Redeemable Debentures (relating to financing activities) (at amortised cost)	C		37.79		53.82
IV)	**Investment in Debentures (quoted)**					
	Non-convertible Redeemable Debentures (relating to financing activities) (at amortised cost)	D		-		27.50
V)	**Investment in pass-through securities (unquoted) (relating to financing activities) (at amortised cost)**	E		50.58		288.46
VI)	**Investment in funds (relating to financing activities) (unquoted) (at amortised cost)**	F		221.87		80.00
VII)	**Investment in Security Receipts (relating to financing activities) (unquoted) (at amortised cost)**	G		480.41		83.56
VIII)	**Investment in Equity Shares (relating to financing activities) (quoted) (at amortised cost)**	H		30.02		38.07
IX)	**Investment in Special Limited Partnership (At Fair value through profit or loss)**					
	Vasuki SCSp (Refer sub note 7)	I		21.56		21.56
	Total Non-Current Investments	**A+B+C+D+E+F+G+H+I**		**998.49**		**851.11**

Amount is below rounding off norms adopted by the Group.

Notes:

1.

Particulars	March 31, 2022	March 31, 2021
	₹ Crores	₹ Crores
Aggregate value of quoted investments	52.33	89.64
Aggregate value of unquoted investments	952.70	765.94
Aggregate value of impairment in value of investments	6.54	4.47

2. Investments are fully paid-up shares unless otherwise stated.
3. The equity investments in a joint venture can be transferred / pledged / disposed off / encumbered only with the consent of banks / financial institutions who have given loans to the joint venture. The equity investments in certain associates can be disposed off only with the consent of banks / financial institutions who have given loans to these companies.
4. Investments accounted for using equity method ₹ 46.60 crores (2021: ₹ 41.28 crores).
5. The Parent Company has acquired the balance 38% stake in Hinduja Tech Limited during the year 2020-21. For details refer note 3.19.
6. Number of shares held by the Group includes joint holding / beneficial holding.
7. The Group holds 9.09% of Class A units in the special limited partnership.
8. 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.

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.4	**NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**		
	(Unsecured, considered good)		
	Trade receivables		
	Related parties (Refer Note 3.9)	0.03	0.31
		0.03	**0.31**

Refer Note 1.12 for ageing of trade receivables

Note:

These are carried at amortised cost.

			As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.5	**NON-CURRENT FINANCIAL ASSETS - LOANS**			
	(Secured, Considered good unless otherwise stated)			
	a)	Loan to customer under financing activities		
		Considered good	15,121.51	15,637.71
		Considered doubtful	212.52	321.06
			15,334.03	**15,958.77**
		Less: Allowance for loans (as per expected credit loss model)	443.30	522.63
			14,890.73	**15,436.14**
	Notes:			
	1.	Loan to customer under financing activities carried at fair value through other comprehensive income	6,389.02	7,215.51

2. These are carried at amortised cost except Note 1 above.
3. Refer Note 3.6 for disclosures relating to expected credit loss.
4. Movement in allowance for loans is as follows:

Particulars	Opening	Additions / (Utilisations) (Net)	Closing
March 2022	522.63	(79.33)	443.30
March 2021	624.89	(102.26)	522.63

			As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.6	**NON-CURRENT - OTHER FINANCIAL ASSETS**			
	(Unsecured, considered good unless otherwise stated)			
	a)	Other receivables *		
		Considered good	-	3.64
		Considered doubtful	3.99	4.34
		Less: Allowance for doubtful receivables	3.99	4.34
			-	**3.64**
	b)	Security Deposits		
		Considered good	33.98	26.58
		Considered doubtful	0.57	-
		Less: Allowance for doubtful receivables	0.57	-
			33.98	**26.58**
	c)	Derivatives designated as hedging instruments carried at fair value	26.69	18.10
	d)	Others		
		i) Employee advances	2.13	1.13
		ii) Other advances (includes refund receivable and items relating to financing activities)	333.90	400.65
		iii) Bank deposits held as security (relating to financing activities)	0.87	55.57
		[collateral towards securitisation / assignment of receivables]		
			397.57	**505.67**
	Of the employee advances mentioned above,			
	Due from Officers #		0.00	0.00

* Includes receivable on sale of windmill undertaking of the Parent Company.
# Amount is below rounding off norms adopted by the Group.

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 receivables is as follows:

Particulars	March 2022	March 2021
Opening balance	4.34	4.34
Add: Additions	-	-
Less: Utilisations / Reversals	0.35	-
Closing balance	3.99	4.34

3 Movement in allowance for doubtful security deposits is as follows:

Particulars	March 2022	March 2021
Opening balance	-	-
Add: Additions	0.57	-
Less: Utilisations / Reversals	-	-
Closing balance	0.57	-

			As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.7	**DEFERRED TAX ASSETS (NET)**			
	i)	Deferred tax assets	27.13	8.91
			27.13	**8.91**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.8	**NON-CURRENT INCOME TAX ASSETS (NET)**		
	Advance income tax (net of provision)	198.70	175.22
		198.70	**175.22**

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.9	**OTHER NON-CURRENT ASSETS**		
	(Unsecured, considered good unless otherwise stated)		
	a) Capital advances		
	Advances to related parties (Refer note 3.9)	-	0.11
	Others		
	Considered good	48.02	38.35
	Considered doubtful	0.82	1.91
	Less: Allowance for doubtful advances	0.82	1.91
		48.02	**38.35**
	b) Balances with Government Authorities - Goods and Services, customs, port trust, central excise, etc. (including paid under protest)		
	Considered good	8.34	12.56
	Considered doubtful	2.96	0.06
	Less: Allowance for doubtful balances	2.96	0.06
		8.34	**12.56**
	c) Others		
	i) Sales tax paid (including paid under protest)	207.41	210.18
	ii) Other advances (includes prepaid expenses, etc)	75.52	89.69
		282.93	**299.87**
		339.29	**350.89**

Note:

Movement in Allowance for doubtful advances towards capital advances is as follows:

Particulars	March 2022	March 2021
Opening balance	1.91	2.57
Add: Additions	-	-
Less: Utilisations / Reversals	1.09	0.66
Closing balance	0.82	1.91

Movement in Allowance for doubtful balances towards balances with Government Authorities - Goods and Services Tax, customs, port trust, central excise, etc. is as follows:

Particulars	March 2022	March 2021
Opening balance	0.06	0.06
Add: Reclassifications	2.90	-
Add: Additions	-	-
Less: Utilisations / Reversals	-	-
Closing balance	2.96	0.06

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.10 INVENTORIES		
(a) Raw materials and components	1,220.50	1,154.35
(b) Work-in-progress	309.30	349.91
(c) Finished goods	679.06	596.38
(d) Stock-in-trade		
i) Commercial vehicles	6.03	99.76
ii) Spare parts and auto components (including works made)	227.18	181.21
(e) Stores, spares and consumable tools	98.48	114.24
	2,540.55	**2,495.85**

Notes:

1. Goods-in-transit included above are as follows :

Particulars	March 2022	March 2021
(a) Raw materials and components	80.48	54.88
(b) Stock-in-trade		
(i) Commercial vehicles	5.43	1.35
(ii) Spares parts and auto components (including works made)	#	0.79

2. Cost of inventories (including cost of stock-in-trade purchased and write down of inventories) recognised as an expense during the year is ₹ 17,613.26 crores (2020-21: ₹ 12,047.38 crores).
3. For details of assets given as security against borrowings - Refer Note 3.13

\# Amount below rounding off norms of the Group

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.11 CURRENT FINANCIAL ASSETS - INVESTMENTS		
(Unquoted)		
i) Investments in mutual funds (March 31, 2022: 3,16,00,536.79 units, March 31, 2021: Nil) (Carried at fair value through profit or loss)	1,298.05	-
ii) Investments in pass through securities (relating to financing activities) (Carried at amortised cost)	133.69	96.60
iii) Investments in non - convertible redeemable debentures (relating to financing activities) (Carried at amortised cost)	71.76	11.90
iv) Investment in security receipts (unquoted) (relating to financing activities) (carried at amortised cost)	135.07	125.33
(Quoted)		
i) Investments in non - convertible redeemable debentures (relating to financing activities) (Carried at amortised cost)	15.06	10.69
	1,653.63	**244.52**

Note:

Investments are fully paid up.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.12	**CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**		
	(Unsecured)		
	Considered good		
	Related parties (Refer Note 3.9)	68.00	84.39
	Others	3,210.76	2,936.52
	Considered doubtful		
	Others	140.36	152.84
	Less: Loss allowance	140.36	152.84
		3,278.76	**3,020.91**

Ageing for trade receivable (Refer Notes 1.4 and 1.12)

₹ Crores

Year ended March 31, 2022	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	2,739.41	321.47	34.19	13.83	5.74	35.28	3,149.92
(ii) Disputed Trade Receivables – considered good	-	23.65	9.99	19.27	22.48	193.84	269.23
Gross Receivables	**2,739.41**	**345.12**	**44.18**	**33.10**	**28.22**	**229.12**	**3,419.15**
Less: Provision							140.36
Total							**3,278.79**

₹ Crores

Year ended March 31, 2021	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	2,550.11	77.17	176.42	36.23	24.10	54.67	2,918.70
(ii) Disputed Trade Receivables – considered good	-	25.75	10.16	23.18	13.78	182.49	255.36
Gross Receivables	**2,550.11**	**102.92**	**186.58**	**59.41**	**37.88**	**237.16**	**3,174.06**
Less: Provision							152.84
Total							**3,021.22**

Notes:

1. Movement in loss allowance is as follows:

Particulars	March 2022	March 2021
Opening balance	152.84	105.75
Add: Additions / Transfer	16.73	75.82
Less: Utilizations / Reversals	29.21	28.73
Closing balance	140.36	152.84

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, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.13a. CASH AND CASH EQUIVALENTS		
i) Balances with banks:		
a) In current accounts	827.47	693.06
b) In cash credit accounts	472.73	508.85
c) In deposit accounts *	521.37	4.59
ii) Cheques, drafts on hand	161.92	199.15
iii) Cash and stamps on hand	47.47	75.39
	2,030.96	**1,481.04**
1.13b. BANK BALANCES OTHER THAN (a) ABOVE		
i) Unclaimed dividend accounts (earmarked)	10.51	10.21
ii) Escrow bank account (earmarked)	42.20	32.61
iii) Deposits with more than original maturity of more than 3 months but less than 12 months	15.77	254.67
	68.48	**297.49**

* This represents deposits with original maturity of less than or equal to 3 months.

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.14 CURRENT FINANCIAL ASSETS - LOANS		
(Considered good, unless otherwise stated)		
Secured		
a) Loan to customer under financing activities		
Considered good	6,311.54	5,773.47
Considered doubtful	897.84	789.30
	7,209.38	**6,562.77**
Less: Allowance for loans (as per expected credit loss model)	391.35	325.73
	6,818.03	**6,237.04**
Notes:		
1. Loan to customer under financing activities carried at fair value through other comprehensive income.	3,838.89	3,310.34

2. These are carried at amortised cost except Note 1 above.
3. Refer Note 3.6 for disclosures relating to expected credit loss.
4. Movement in allowance for loans is as follows:

Particulars	Opening	Additions / Utilisition (Net)	Closing
March 2022	325.73	65.62	391.35
March 2021	279.18	46.55	325.73

		As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.15	**CURRENT - OTHER FINANCIAL ASSETS**		
	(Unsecured, considered good unless otherwise stated)		
	a) Interest accrued :		
	- Relating to financing activities	0.23	0.29
	- Others	13.37	25.44
	b) Employee advances	21.78	22.91
	c) Receivable on sale of immovable properties / investments	-	0.02
	d) Derivatives designated in hedging instruments carried at fair value	19.32	1.52
	e) Earmarked Bank Balance (escrow bank accounts)	-	2.82
	f) Related parties (Refer Note 3.9)		
	- Other advances	1.29	0.12
	g) Intercorporate deposits	53.00	53.00
	h) Revenue grants receivable		
	- Considered good	38.03	222.52
	- Considered doubtful	8.89	1.93
		46.92	**224.45**
	Less: Allowance for doubtful receivables	8.89	1.93
		38.03	**222.52**
	i) Bank deposits with original maturity of greater than 12 months	500.00	350.00
	j) Receivable from Government authorities		
	- Considered good	11.25	97.61
	- Considered doubtful	3.90	-
		15.15	**97.61**
	Less: Allowance for doubtful receivables	3.90	-
		11.25	**97.61**
	k) Security Deposits	25.64	21.92
	l) Others (includes expenses recoverable, items relating to financing activity, etc.)		
	Considered good*	238.54	316.71
	Considered doubtful	20.82	20.83
		259.36	**337.54**
	Less: Allowance for doubtful receivables	20.82	20.83
		238.54	**316.71**
		922.45	**1,114.88**
	Of the employee advances mentioned above, Due from Officers #	0.00	0.00

Amount is below rounding off norms adopted by the Group.

* Includes fixed deposit relating to financing activity which are lien marked for securitisation amounting to ₹ 38.70 crores.

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 2022	March 2021
Opening balance	1.93	1.90
Add: Additions	6.96	0.03
Less: Utilisations / Reversals	-	-
Closing balance	8.89	1.93

4 Movement in Allowance for doubtful receivables - Others (includes expenses recoverable, items relating to financing activity, etc.) are as follows:

Particulars	March 2022	March 2021
Opening balance	20.83	20.83
Add: Additions	-	-
Less: Utilisations / Reversals	0.01	-
Closing balance	20.82	20.83

5 Movement in Allowance for doubtful receivable (Receivable from government authorities) is as follows:

Particulars	March 2022	March 2021
Opening balance	-	-
Add: Transfer	3.90	-
Less: Utilisations / Reversals	-	-
Closing balance	3.90	-

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.16 CONTRACT ASSETS		
(Unsecured, considered good)		
Unbilled revenue (Refer note 3.7)		
Others	21.84	19.71
Related party (Refer note 3.9)	-	0.01
	21.84	**19.72**

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.17 OTHER CURRENT ASSETS		
(Unsecured, considered good unless otherwise stated)		
a) Supplier advances		
Considered good		
Related Parties (Refer Note 3.9)	5.16	-
Others	151.96	99.75
Considered doubtful	1.04	0.69
Less: Allowance for doubtful advances	1.04	0.69
	157.12	**99.75**
b) Balances with Government Authorities - Goods and Services, customs, port trust, central excise, etc.	824.60	685.38
c) Others *	234.20	222.28
	1,215.92	**1,007.41**
* Includes:		
- Sales tax paid under protest	0.66	1.08
- Prepaid expenses	229.49	200.08
- Gratuity (Refer Note 3.3)	-	14.83

Note:

Movement in allowance for doubtful advances is as follows:

Particulars	March 2022	March 2021
Opening balance	0.69	2.37
Add: Additions	0.67	-
Less: Utilisations / Reversals	0.32	1.68
Closing balance	1.04	0.69

	As at March 31, 2022	As at March 31, 2021
	₹ 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 Notes 1.1 and 1.2)	42.53	-
Right of use asset (Refer Note 1.1A)	5.87	-
Non-current and current financial assets (includes trade and other receivables, etc.)	11.74	-
Non-current and current assets	0.66	-
Inventories	2.83	-
	63.63	**-**

	As at March 31, 2022	As at March 31, 2021
	₹ 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.)	9.90	-
Non-current and current liabilities (includes contract liabilities, etc.)	1.74	-
Non-current and current provision (includes provision for employee benefits)	0.14	-
	11.78	**-**

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 to Ohm Global Mobility Private Limited (Fellow subsidiary of the Parent Company) with effect from October 1, 2021. The Parent Company has since received the regulatory approvals and accordingly classified the associated assets and liabilities as "Held for sale". The provision relating to EMAAS business classified as assets held for sale is shown under note 2.7. The transfer of business will be consummated on receipt of certain other approvals expected within next 12 months.

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

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.18 EQUITY SHARE CAPITAL		
Authorised		
27,85,60,00,000 (March 2021: 27,85,60,00,000) Equity shares of ₹ 1 each	2,785.60	2,785.60
	2,785.60	**2,785.60**
Issued		
a) 2,28,92,12,796 (March 2021: 2,28,92,12,796) Equity shares of ₹ 1 each	228.92	228.92
b) 64,63,14,480 (March 2021: 64,63,14,480) Equity shares of ₹ 1 each issued through Global Depository Receipts	64.63	64.63
	293.55	**293.55**
Subscribed and fully paid up		
a) 2,28,92,12,796 (March 2021: 2,28,92,12,796) Equity shares of ₹ 1 each	228.92	228.92
b) 64,63,14,480 (March 2021: 64,63,14,480) Equity shares of ₹ 1 each issued through Global Depository Receipts	64.63	64.63
	293.55	**293.55**
Add: Forfeited shares (amount originally paid up in respect of 760 shares) #	0.00	0.00
	293.55	**293.55**

Amount is below rounding off norms adopted by the Group.

Sl. No	Promoter name	No. of Shares	%of total shares	% Change during the year
	Shares held by promoters as at March 31, 2022			
1	Hinduja Automotive Limited (including shares held through GDRs through Citibank N A, New York)	1,34,86,28,818	45.94	-
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**	**51.12**	**-**

Sl. No	Promoter name	No. of Shares	%of total shares	% Change during the year
	Shares held by promoters as at March 31, 2021			
1	Hinduja Automotive Limited (including shares held through GDRs through Citibank N A, New York)	1,34,86,28,818	45.94	-
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**	**51.12**	**-**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Notes:

1. Reconciliation of number of Equity shares subscribed

Particulars	March 2022	March 2021
Balance as at the beginning / end of the year	2,93,55,27,276	2,93,55,27,276

2. Shares issued in preceding 5 years for consideration other than cash

Hinduja Foundries Limited (amalgamating company) merged with the Parent Company effective October 1, 2016 pursuant to the order received from National Company Law Tribunal on April 24, 2017. Consequently, 8,06,58,292 equity shares of ₹ 1 each of the Company has been allotted on June 13, 2017 as fully paid up to the shareholders of the amalgamating company.

3. As on March 31, 2022, there are 35,31,58,140 (March 2021: 35,31,58,140) equity shares representing the outstanding Global Depository Receipts (GDRs). The balance GDRs have been converted into equity shares.

4. Shares held by the Holding Company

Hinduja Automotive Limited, the holding company, holds 1,16,43,32,742 (March 2021: 1,16,43,32,742) Equity shares and 54,86,669 (March 2021: 54,86,669) Global Depository Receipts (GDRs) equivalent to 32,92,00,140 (March 2021: 32,92,00,140) Equity shares of ₹ 1 (March 2021: ₹ 1) each aggregating to 50.88% (March 2021: 50.88%) of the total share capital.

5. 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, 2022 and March 31, 2021.

6. 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 2021: 60 equity shares) of ₹ 1 each, per GDR, and their voting rights can be exercised through the Depository.

		Note	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.19	**OTHER EQUITY**			
a)	Capital Reserve	A	263.87	263.87
b)	Securities Premium	B	2,013.52	2,012.29
c)	Capital Redemption Reserve	I	3.33	3.33
d)	Share Options Outstanding Account	C	41.48	44.57
e)	General Reserve	D	1,020.55	1,018.33
f)	Cash Flow Hedge Reserve	E	10.01	(12.75)
g)	Statutory Reserve	F	279.91	233.03
h)	Foreign Currency Translation Reserve	G	(8.76)	(2.46)
i)	Retained Earnings	H	3,036.95	3,515.45
j)	Other Comprehensive Income - Fair valuation on loans relating to financing activities	J	349.48	492.81
			7,010.34	**7,568.47**

Refer “Consolidated 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 Share options outstanding account relates to stock options granted by the Group to employees under an employee stock options plan. (Refer Note 3.5)

D 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.

E 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.

F The statutory reserve has been created pursuant to statutory regulations at a percentage of profit for the year.

G 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.

H In respect of the year ended March 31, 2022, the Board of Directors has declared a dividend of ₹ 1.00 per equity share (dividend for March 2021: ₹ 0.60 per equity share) subject to approval by shareholders at the ensuing Annual General Meeting after which dividend will be accounted and paid out of the retained earnings available for distribution in accordance with the provisions of the Act. Revaluation reserve amounting to ₹ 1,210.21 crores transferred to retained earnings on transition date may not be available for distribution.

I Capital redemption reserve represent the reserve arising pursuant to the business combination during 2016-17.

J 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, 2022	As at March 31, 2021
			₹ Crores	₹ Crores
1.20	**NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**			
	a)	**Secured borrowings**		
	i.	Redeemable non-convertible debentures	1,674.39	1,215.43
	ii.	Term loan from banks	11,826.77	12,234.12
	iii.	SIPCOT soft loan	31.18	31.18
	b)	**Unsecured borrowings**		
	i.	Subordinated Redeemable non-convertible debentures	966.55	1,065.00
	ii.	External commercial borrowings from banks	657.14	877.49
	iii.	Interest free sales tax loans	66.41	66.41
	iv.	Other subordinated loans	74.86	75.00
			15,297.30	**15,564.63**

Notes:

1. These are carried at amortised cost.
2. Refer Note 1.25 for Current maturities of long-term debt.
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 2021: 3,65,00,000) Non-Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10 each valuing ₹ 36.50 crores (March 2021: ₹ 36.50 crores) and 7,70,00,000 (March 2021: 7,70,00,000) Non-Convertible Redeemable Preference Shares of ₹ 100 each valuing ₹ 770.00 crores (March 2021: ₹ 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, wherever applicable.
8. Of the above, borrowings relating to financing activities are given below:

		As at March 31, 2022	As at March 31, 2021
		₹ Crores	₹ Crores
a)	**Secured borrowings**		
	13,300 (March 31, 2021: 12,550) Redeemable non-convertible debentures	878.51	620.00
	Term loans from banks (Includes ₹ 89.34 crores (March 31, 2021: ₹ 246.35 crores) towards securitisation deals)	10,526.77	11,246.62
b)	**Unsecured borrowings**		
	11,550 (March 31, 2021: 12,100) Subordinated Redeemable non-convertible debentures	966.55	1,065.00
	Other subordinated loans	74.86	75.00
		12,446.69	**13,006.62**

			As at March 31, 2022	As at March 31, 2021
			₹ Crores	₹ Crores
1.21	**NON-CURRENT - OTHER FINANCIAL LIABILITIES**			
	a)	Capital creditors	3.71	-
	b)	Derivatives designated in hedging relationships carried at fair value	5.05	21.98
	c)	Others (Includes security deposit payable, RSP Participation fee payable relating to financing activities, etc.)	134.44	149.57
			143.20	**171.55**

Note:

These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss / other comprehensive income.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
1.22 NON-CURRENT CONTRACT LIABILITIES		
Income received in advance (Refer note 3.7)	193.83	215.67
	193.83	**215.67**

	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
1.23 NON-CURRENT PROVISIONS		
a) Provision for employee benefits		
i) Compensated absences	104.70	104.82
ii) Others including post retirement benefits [Refer Note 3.3]	16.41	12.90
b) Provision for product warranties	130.35	103.40
c) Provision in relation to net assets of a subsidiary (Refer Note 3.26)	27.97	-
d) Other provisions (includes provision for litigation)	4.56	8.26
	283.99	**229.38**

Notes:

1. Movement in Provision for product warranties is as follows:

Particulars	March 2022	March 2021
Opening balance (Current (Refer Note 1.29) and Non-current)	351.46	391.86
Add: Additions (net of utilisations)	63.96	(40.40)
Closing balance (Current (Refer Note 1.29) and Non-current)	415.42	351.46

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 range from 1 to 60 months.

2. Movement in Other Provisions (includes provision for litigation) is as follows:

Particulars	March 2022	March 2021
Opening balance	8.26	8.26
Add: Additions	27.36	-
Less: Transfer / Reversal	31.06	-
Closing balance	4.56	8.26

3. Movement in Provisions in relation to net assets of a subsidiary is as follows:

Particulars	March 2022	March 2021
Opening balance	-	-
Add: Additions	27.97	-
Less: Utilisations / Reversals	-	-
Closing balance	27.97	-

	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
1.24 DEFERRED TAX LIABILITIES (NET)		
i) Deferred tax liabilities	1,056.36	1,206.25
ii) Deferred tax (assets)*	(740.53)	(820.16)
	315.83	**386.09**

* Includes Unused tax credits (MAT credit entitlement) of ₹ 584.85 crores (March 2021: ₹ 574.06 crores).

Note:

Refer Note 3.2 for details of deferred tax liabilities and assets.

		As at March 31, 2022	As at March 31, 2021
		₹ Crores	₹ Crores
1.25	**CURRENT FINANCIAL LIABILITIES - BORROWINGS**		
a)	**Secured borrowings**		
	Loans from banks	927.48	1,019.79
b)	**Unsecured borrowings**		
	Loans from banks	739.34	1,241.70
	Commercial papers*	-	247.11
	Bills discounted	116.83	91.13
c)	Current maturities of long-term debt	6,858.40	5,725.75
		8,642.05	**8,325.48**

* Relates to Parent Company

Notes:

1.	These are carried at amortised cost.		
2.	Out of the above, borrowings relating to financing activities:		
	- Secured	640.71	755.63
	- Current maturities of long-term debt	6,468.74	5,713.25

3. Commercial paper - maximum balance outstanding during the year is ₹ 1,250 Crores (March 2021: ₹ 1,800 Crores).
4. The Group has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
5. Refer Note 3.13 for security,terms of the borrowings and net debt reconciliation.
6. Refer Note 3.6 for details of debt covenants.

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
1.26 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
Trade payables - including acceptances		
a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 3.17)	62.63	38.86
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,187.28	5,307.37
	7,249.91	**5,346.23**

Trade Payables ageing schedule

₹ Crores

Particulars	As at 31 March, 2022						
	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	3.72	55.66	3.21	-	0.04	-	62.63
(ii) Undisputed dues - Others	1,018.24	5,872.66	270.12	9.42	11.63	5.13	7,187.20
(iii) Disputed dues – Micro and Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	0.05	0.03	0.08
Total	**1,021.96**	**5,928.32**	**273.33**	**9.42**	**11.72**	**5.16**	**7,249.91**

Particulars	As at 31 March, 2021						
	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	-	36.35	2.44	0.05	0.01	0.01	38.86
(ii) Undisputed dues - Others	899.13	4,195.10	189.47	12.79	7.33	3.47	5,307.29
(iii) Disputed dues – Micro and Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	0.05	0.03	-	0.08
Total	**899.13**	**4,231.45**	**191.91**	**12.89**	**7.37**	**3.48**	**5,346.23**

Notes:

1. These are carried at amortised cost.
2. Includes acceptances amounting to ₹ 673.21 crores (March 2021: ₹ 187.65 crores)

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2022	As at March 31, 2021
		₹ Crores	₹ Crores
1.27	**CURRENT - OTHER FINANCIAL LIABILITIES**		
a)	Interest accrued but not due on borrowings	219.33	136.16
b)	Unclaimed dividends	10.51	10.21
c)	Employee benefits	229.41	228.70
d)	Capital creditors	155.59	243.31
e)	Derivatives designated in hedging relationships carried at fair value	6.86	9.18
f)	Assignees towards collections in assigned assets (relating to financing activities)	242.69	283.51
g)	Others*	323.67	290.09
		1,188.06	**1,201.16**
	* Includes:		
	- Refund liabilities	261.42	265.97

Notes:

1. These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss / other comprehensive income.
2. Refer Note 3.13 for security and terms of the borrowings.
3. Interest accrued but not due on borrowings include ₹ 172.98 crores (2021: ₹ 91.86 crores) relating to financing activities.
4. Refer Note 3.6 for details of debt covenants.

		As at March 31, 2022	As at March 31, 2021
		₹ Crores	₹ Crores
1.28	**CURRENT CONTRACT LIABILITIES**		
a)	Income received in advance	301.14	322.66
b)	Advance from customers	197.61	151.13
		498.75	**473.79**

Note:

Refer Note 3.7 for disclosures relating to revenue from contracts with customers

	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
1.29 CURRENT PROVISIONS		
a) Provision for employee benefits		
i. Compensated absences	26.15	22.47
ii. Others including Post retirement benefits [Refer Note 3.3]	87.14	94.53
b) Others		
i. Provision for product warranties	285.07	248.06
ii. Provision for obligations [Refer Note 2.7]	-	81.00
iii. Other provisions (including litigation matters)	134.32	133.42
	532.68	**579.48**

Notes:

1. Movement in Provision for product warranties Refer Note 1.23

2. Movement in Provision for obligations is as follows :

Particulars	March 2022	March 2021
Opening balance	81.00	81.00
Add: Additions	-	-
Less: Utilisations / Reversals	81.00	-
Closing balance	-	81.00

The Group reversed Rs. 81.00 crores towards provision for obligations based on its assessment for the year ended March 31, 2022.

3. Movement in Other Provisions (including litigation matters) is as follows:

Particulars	March 2022	March 2021
Opening balance	133.42	232.49
Add: Additions / Transfer	3.64	2.46
Less: Utilisations / Reversals	2.74	101.53
Closing balance	134.32	133.42

	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
1.30 OTHER CURRENT LIABILITIES		
a) Statutory liabilities	317.45	202.09
b) Accrued gratuity (Refer note 3.3)	6.12	-
c) Others	0.18	0.16
	323.75	**202.25**

	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
1.31 CURRENT TAX LIABILITIES (NET)		
Provision for taxation (net of advance tax)	123.82	53.80
	123.82	**53.80**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

			Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
2.1	**REVENUE FROM OPERATIONS**			
	a) Sale of products			
	- Commercial vehicles			
	Manufactured		18,384.30	12,550.34
	Traded		360.35	245.01
	- Engines and gensets		987.19	932.33
	- Ferrous castings and patterns		469.02	357.58
	- Spare parts and others		2,099.79	1,750.93
		(A)	**22,300.65**	**15,836.19**
	b) Sale of services		952.83	695.91
		(B)	**952.83**	**695.91**
	c) Interest / Other finance income relating to financing activities	(C)	3,216.12	3,146.01
	d) Other operating revenues			
	- Grant income		0.08	0.37
	- Export incentives		40.87	16.70
	- Scrap sales		76.84	47.90
	- Others		9.10	11.37
		(D)	**126.89**	**76.34**
		(A+B+C+D)	**26,596.49**	**19,754.45**
	Less: Rebates and discounts		359.34	300.35
			26,237.15	**19,454.10**

		Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
2.2	**OTHER INCOME**		
	a) Interest income from financial assets measured at amortised cost		
	i. Loans to related parties (Refer Note 3.9)	-	9.77
	ii. Others	27.73	85.70
		27.73	**95.47**
	b) Profit on sale of investments (net)		
	Current investments	13.31	6.91
		13.31	**6.91**
	c) Other non-operating income		
	i) Profit on sale of Property, Plant and Equipment (net)	0.93	4.35
	ii) Net gain / (loss) arising on financial asset mandatorily measured at FVTPL	1.14	(4.61)
	iii) Others	43.70	29.04
		45.77	**28.78**
		86.81	**131.16**

		Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
2.3	**EMPLOYEE BENEFITS EXPENSE**		
	a) Salaries and wages	2,283.15	1,894.58
	b) Contribution to provident and other funds	157.77	148.38
	c) Share based payments costs *	0.64	22.41
	d) Staff welfare expenses	194.85	156.49
		2,636.41	**2,221.86**
	Less: Expenses capitalised	19.65	62.43
		2,616.76	**2,159.43**

* For share options given by the Parent Company to employees under employee stock option plan - Refer Note 3.5.

		Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
2.4	**FINANCE COSTS**		
	(a) Interest expense	328.55	337.27
	(b) Interest and other borrowing costs relating to financing activities	1,534.11	1,565.51
	(c) Interest on Lease Liability	8.72	6.87
		1,871.38	**1,909.65**
	Less: Expenses capitalised	2.33	9.01
		1,869.05	**1,900.64**

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 is 8.36% p.a. (March 31, 2021 - 7.90% p.a.).

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

				Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
2.5	**DEPRECIATION AND AMORTISATION EXPENSE**				
	A)	**Property, plant and equipment**			
		(i)	Buildings	81.88	85.37
		(ii)	Plant and equipment	467.93	439.55
		(iii)	Furniture and fittings	9.62	11.00
		(iv)	Vehicles including electric vehicles	23.26	22.54
		(v)	Office equipment	28.57	31.15
		(vi)	Assets given on lease		
			- Buildings	0.29	0.29
			- Plant and equipment	#	#
			- Aircraft	9.74	9.75
		(vii)	Electrical and other installations on lease hold premises	0.04	0.06
				621.33	**599.71**
	B)	**Other intangible assets**			
		(i)	Computer software		
			- Developed	16.52	18.49
			- Acquired	22.26	18.27
		(ii)	Technical knowhow		
			- Developed	147.79	145.69
			- Acquired	8.10	6.07
				194.67	**188.52**
	C)	**Depreciation of Right-of-use asset**		49.96	47.39
				865.96	**835.62**

Amount is below rounding off norms adopted by the Group.

Also Refer Notes 1.1, 1.2 and 1.1A

		Year ended March 31, 2022	Year ended March 31, 2021
		₹ Crores	₹ Crores
2.6	**OTHER EXPENSES**		
	(a) Consumption of stores and tools	73.56	57.49
	(b) Power and fuel	189.67	168.88
	(c) Rent [Refer Note 3.10]	15.27	12.86
	(d) Repairs and maintenance		
	- Buildings	49.36	37.49
	- Plant and machinery	162.20	127.38
	- Others	11.64	3.45
	(e) Insurance	45.85	30.04
	(f) Rates and taxes, excluding taxes on income	19.54	18.85
	(g) Research and development (includes materials consumed and testing charges)	129.83	133.31
	(h) Service and product warranties	455.85	296.83
	(i) Packing and forwarding charges	540.90	424.63
	(j) Selling and administration expenses (net) (includes hire charges, travel expenditure, advertisement expenditure, consultancy charges, etc.)	605.24	571.79
	(k) Annual maintenance contracts	218.75	171.38
	(l) Service provider fees (including sourcing and commission expenses relating to financing activities)	59.62	39.42
	(m) Impairment loss allowance / write off on trade receivable (net)	(10.74)	70.88
	(n) Impairment loss allowance / write off on advances / grant income receivable (net)	6.65	(1.61)
	(o) Impairment loss allowance / write off relating to financing actvities	747.42	752.87
		3,320.61	**2,915.94**
	Less: Expenses capitalised	78.72	131.09
		3,241.89	**2,784.85**
	Note:		
	Selling and administration expenses include items relating to Parent Company		
	- Directors' sitting fees	1.23	1.15
	- Commission to Non Whole-time Directors	3.00	3.15

		Year ended March 31, 2022	Year ended March 31, 2021
		₹ Crores	₹ Crores
2.7	**EXCEPTIONAL ITEMS**		
	a) Impairment in value of goodwill & Net assets of Subsidiaries - Albonair GmbH (Refer Note 3.26)	(236.91)	-
	b) Reversal of provision for Obligation in relation to Optare Plc (Refer Note 1.29)	81.00	-
	c) Loss on fair valuation of Investment in Hinduja Energy India Limited (Refer Note 3.6 and 3.26)	(107.13)	-
	d) Voluntary Retirement Scheme	(28.75)	(85.99)
	e) Gain on sale of immovable properties	-	6.92
	f) Obligation relating to discontinued products of LCV division (net of reversal)	(3.67)	78.76
	g) Loss (net) in relation to EV and related expenses	(3.02)	-
	h) Provision relating to EMAAS business classified as asset held for sale (Refer Note 1.17A and 1.17B)	(26.84)	-
	i) Gain on disposal of interest in a former Joint Venture	-	76.39
	j) Reversal of provision relating to sale of long term investments	1.17	-
		(324.15)	**76.08**

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:

S.No.	Name of the Subsidiary	Country of Incorporation	% of ownership interest	
			March 31, 2022	March 31, 2021
1	Hinduja Leyland Finance Limited and its subsidiaries	India	68.80%	68.81%
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	91.63%	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	85.58%	85.58%
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 it's subsidiaries (from February 25, 2021)	India	98.91%	100.00%
13	Vishwa Bus and Coaches Limited (from November 19, 2020)	India	100.00%	100.00%
14	Gro Digital Platforms Limited (from April 14, 2021)	India	84.40%	-

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, 2022.

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":

S.No.	Name of the Joint Venture	Country of Incorporation	% of ownership interest	
			March 31, 2022	March 31, 2021
1	Ashley Alteams India Limited	India	50.00%	50.00%
2	Ashok Leyland John Deere Construction Equipment Company Private Limited# (Under liquidation)	India	50.00%	50.00%

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":

S.No.	Name of the Associate	Country of Incorporation	% of ownership interest	
			March 31, 2022	March 31, 2021
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 Profit or (Loss)	Amount ₹ Crores	As a % of Consolidated Profit or (Loss)	Amount ₹ Crores
	Parent Company								
1	Ashok Leyland Limited	100.45	7,336.90	(151.09)	541.83	2.56	(3.91)	(105.16)	537.92
	Indian Subsidiaries								
2	Hinduja Leyland Finance Limited and its subsidiaries	56.11	4,097.88	(94.73)	339.71	135.66	(207.50)	(25.84)	132.21
3	Global TVS Bus Body Builders Limited	0.50	36.86	0.20	(0.71)	(0.03)	0.05	0.13	(0.66)
4	Gulf Ashley Motor Limited	0.15	11.08	2.32	(8.31)	0.01	(0.02)	1.63	(8.33)
5	HLF Services Limited	0.15	11.02	(0.73)	2.61	(0.41)	0.62	(0.63)	3.23
6	Albonair (India) Private Limited	1.00	73.12	(8.62)	30.93	0.03	(0.04)	(6.04)	30.89
7	Ashley Aviation Limited #	(0.07)	(5.23)	1.48	(5.31)	0.00	0.00	1.04	(5.31)
8	Hinduja Tech Limited and its subsidiaries (from February 25, 2021)	1.22	89.47	(7.87)	28.21	(0.16)	0.25	(5.56)	28.46
9	Vishwa Bus and Coaches Limited (from November 19, 2020)	0.40	29.00	0.98	(3.50)	(0.01)	0.01	0.68	(3.49)
10	Gro Digital Platforms Limited (from April 14. 2021)	0.27	19.96	0.01	(0.04)	-	-	0.01	(0.04)
	Foreign Subsidiaries								
11	Ashok Leyland (Nigeria) Limited #	0.00	(0.01)	0.47	(1.69)	-	-	0.33	(1.69)
12	Ashok Leyland (Chile) S.A #	0.00	0.27	0.01	(0.03)	-	-	0.01	(0.03)
13	Optare PLC UK and its subsidiaries	(4.32)	(315.89)	100.53	(360.52)	(1.97)	3.02	69.88	(357.50)
14	Ashok Leyland (UAE) LLC and its subsidiaries	0.06	4.45	0.27	(0.97)	0.27	(0.42)	0.27	(1.39)
15	Albonair GmbH and its subsidiary	0.38	27.97	(2.30)	8.24	0.25	(0.39)	(1.53)	7.85
16	**Non controlling Interest in all subsidiaries**	**(17.60)**	**(1,286.27)**	**20.40**	**(73.16)**	**(42.09)**	**64.38**	**1.71**	**(8.78)**
	Associates (Investment as per the equity method)								
	Indian								
17	Ashok Leyland Defence Systems Limited #	0.28	20.49	(0.98)	3.51	0.00	0.00	(0.69)	3.51
18	Mangalam Retail Services Limited #	0.00	0.04	0.00	0.00	-	-	0.00	0.00
	Foreign								
19	Lanka Ashok Leyland PLC	0.31	22.31	(0.98)	3.51	7.01	(10.72)	1.41	(7.21)
	Joint Ventures (Investment as per the equity method)								
	Indian								
20	Ashley Alteams India Limited	0.05	3.76	(0.14)	0.50	(0.02)	0.03	(0.10)	0.53
21	Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)	-	-	-	-	-	-	-	-
	Sub Total	**139.34**	**10,177.18**	**(140.77)**	**504.81**	**101.10**	**(154.64)**	**(68.45)**	**350.17**
	Add/(Less): Effect of intercompany adjustments / eliminations	(39.34)	(2,873.29)	240.77	(863.42)	(1.10)	1.68	168.45	(861.74)
	Total	**100.00**	**7,303.89**	**100.00**	**(358.61)**	**100.00**	**(152.96)**	**100.00**	**(511.57)**

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, 2022	Year ended March 31, 2021
		₹ Crores	₹ Crores
Current tax			
In respect of the current year			
Domestic entities		101.79	127.03
Foreign entities		0.35	0.53
In respect of prior years			
Domestic entities		0.51	(64.47)
Foreign entities		-	-
	A	**102.65**	**63.09**
Deferred tax			
In respect of the current year			
Domestic entities		(1.44)	(118.32)
Foreign entities		(15.35)	(0.48)
In respect of prior years			
Domestic entities		-	58.23
Foreign entities		-	-
	B	**(16.79)**	**(60.57)**
Total income tax expense recognised in the Consolidated profit or loss	(A + B)	**85.86**	**2.52**

	Year ended March 31, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
3.2.2 Income tax expense for the year reconciled to the accounting profit:		
Profit before tax		
Domestic entities	166.87	67.57
Foreign entities	(366.46)	(134.65)
Consolidated Loss before tax	**(199.59)**	**(67.08)**
Income tax rate	34.944%	34.944%
Income tax expense	(69.74)	(23.44)
Effect of income that is taxed at lower rate	221.99	(14.70)
Effect of exceptional items, benefits recognised upon amalgamation, disallowances and reversals (net)	-	45.69
Effect of exceptional items, disallowances and reversals (net)	(131.16)	-
Effect of previously unrecognised and unused tax losses	(44.44)	(4.60)
Effect of concessions and other allowances	(29.25)	-
Effect of taxable / deductible temporary differences and tax holiday benefit relating to earlier years (net)	-	(1.24)
Effect of different tax rates of subsidiaries / branches operating in overseas jurisdictions	131.95	53.23
Effect of other adjustments	6.51	(52.42)
	85.86	**2.52**
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Income tax expense recognised in Consolidated profit or loss	**85.86**	**2.52**

		Year ended March 31, 2022 ₹ Crores	Year ended March 31, 2021 ₹ Crores
3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)			
3.2.3 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		5.39	(6.84)
Gain / (Loss) on fair valuation of loans (relating to financing activities)		(70.06)	102.74
Remeasurement of defined benefit obligation		(13.75)	2.86
	A	**(78.42)**	**98.76**
Arising on income and expenses reclassified from equity to profit or loss:			
Relating to cash flow hedges		6.84	8.17
	B	**6.84**	**8.17**
Total income tax recognised in other comprehensive income	(A+B)	**(71.58)**	**106.93**
Bifurcation of the income tax recognised in other comprehensive income into:			
Items that will not be reclassified to profit or loss		(13.75)	2.86
Items that will be reclassified to profit or loss		(57.83)	104.07
		(71.58)	**106.93**

3.2.4 Analysis of deferred tax assets / liabilities: ₹ Crores

March 31, 2022	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in other Equity	Other adjustments	Closing balance
Deferred tax assets / (liabilities) (net)						
Property, plant, and equipment and Intangible Assets	-	13.96	-	-	-	13.96
Right-of-use Asset	0.16	(2.17)	-	-	-	(2.01)
Unused tax losses (including unabsorbed depreciation)	5.53	1.81	-	-	-	7.34
Expenditure allowed upon payments	0.23	0.04	-	-	-	0.27
Other temporary differences	2.99	4.61	(0.02)	-	(0.01)	7.57
	8.91	**18.25**	**(0.02)**	**-**	**(0.01)**	**27.13**
Deferred tax liabilities / (assets) (net)						
Property, plant, and equipment and Intangible Assets	1,040.47	(91.49)	-	-	-	948.98
Right-of-use Asset	10.97	(3.60)	-	-	-	7.37
Lease Liability	(10.51)	3.84	-	-	(0.19)	(6.86)
Voluntary retirement compensation scheme	(27.86)	(0.25)	-	-	-	(28.11)
Expenditure allowed upon payments	(91.26)	3.83	(13.86)	-	0.01	(101.28)
Provision for impairment of financial assets and gain on fair valuation of loan relating to financing activities (Refer Note below)	89.64	24.89	(70.06)	-	(0.07)	44.40
Prepaid expenses relating to financing activities	65.17	(4.50)	-	-	-	60.67
Unused tax credit (MAT credit entitlement)	(574.06)	(10.07)	-	-	(0.72)	(584.85)
Cash flow hedges	(6.84)	-	12.23	-	-	5.39
Other temporary differences	(19.23)	(11.26)	0.09	-	0.85	(29.55)
Unused tax losses / unabsorbed deprectiation	(90.40)	90.07	-	-	-	(0.33)
	386.09	**1.46**	**(71.60)**	**-**	**(0.12)**	**315.83**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

3.2.4 Analysis of deferred tax assets / liabilities: (Contd.)

₹ Crores

March 31, 2021	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in other Equity	Other adjustments	Closing balance
Deferred tax assets / (liabilities) (net)						
Property, plant, and equipment and Intangible Assets	(1.21)	1.21	-	-	-	-
Right-of-use Asset	(0.01)	0.17	-	-	-	0.16
Unused tax losses (including unabsorbed depreciation)	3.63	1.90	-	-	-	5.53
Expenditure allowed upon payments	0.92	(0.69)	-	-	-	0.23
Other temporary differences	4.38	(1.39)	-	-	-	2.99
	7.71	**1.20**	**-**	**-**	**-**	**8.91**
Deferred tax liabilities / (assets) (net)						
Property, plant, and equipment and Intangible Assets	1,035.02	5.45	-	-	-	1,040.47
Right-of-use Asset	15.93	(4.96)	-	-	-	10.97
Lease Liability	(14.05)	3.44	-	-	0.10	(10.51)
Voluntary retirement compensation scheme	(10.85)	(17.01)	-	-	-	(27.86)
Expenditure allowed upon payments	(85.69)	(8.32)	2.86	-	(0.11)	(91.26)
Provision for impairment of financial assets and gain on fair valuation of loan relating to financing activities [Refer Note below]	17.89	(31.60)	102.74	-	0.61	89.64
Prepaid expenses relating to financing activities	-	65.17	-	-	-	65.17
Unused tax credit (MAT credit entitlement)	(574.06)	-	-	-	-	(574.06)
Cash flow hedges	(8.17)	-	1.33	-	-	(6.84)
Other temporary differences	(37.45)	18.86	-	-	(0.64)	(19.23)
Unused tax losses / unabsorbed depreciation	-	(90.40)	-	-	-	(90.40)
	338.57	**(59.37)**	**106.93**	**-**	**(0.04)**	**386.09**

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:

₹ Crores

March 31, 2022	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in other Equity	Other adjustments	Closing balance
Provision for impairment of financial assets	(168.17)	24.89	-	-	-	(143.28)
Gain on fair valuation of loan relating to financing activities	257.81	-	(70.06)	-	(0.07)	187.68
Net Total	**89.64**	**24.89**	**(70.06)**	**-**	**(0.07)**	**44.40**

₹ Crores

March 31, 2021	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in other Equity	Other adjustments	Closing balance
Provision for impairment of financial assets	(136.57)	(31.60)	-	-	-	(168.17)
Gain on fair valuation of loan relating to financing activities	154.46	-	102.74	-	0.61	257.81
Net Total	**17.89**	**(31.60)**	**102.74**	**-**	**0.61**	**89.64**

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, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
- Unused tax losses	1,813.24	1,650.03
- Unused capital losses	71.39	260.40
- Unabsorbed depreciation	0.15	0.12
	1,884.78	**1,910.55**

Notes:

1. These will expire in various years upto 2029-30, (March 21: 2028-29) 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.

3.3 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 ₹ 69.73 crores (2020-21: ₹ 63.34 crores) represents contribution paid / payable to these schemes by the Group at rates specified in the schemes.

3.3.2 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.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.3 RETIREMENT BENEFIT PLANS (Contd.)

3.3.2 Defined benefit plans (Contd.)

Provident Fund Trust - Actuarial valuation

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 higher 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, 2022	As at March 31, 2021
Discount rate	7.18%	6.82%
Remaining term to maturity of portfolio (years)	11.20	11.90
Expected guaranteed interest rate		
First year	8.10%	8.50%
Thereafter	8.10%	8.50%
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, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
Fair Value of Plan asset at the end of the year	1,293.88	1,241.60
Present value of benefit obligation at the end of the year	1,367.99	1,310.79
Net (liability) arising from defined benefit obligation (funded)	**(74.11)**	**(69.19)**

The amount recognised in total comprehensive income and the movement in fair value of plan asset and present value of benefit obligation pertaining to year ended March 31, 2022 is as follows:

The Net liability is reflected in "Provision for employee benefits" under provisions. [Refer Note 1.29].

Amounts recognised in total comprehensive income in respect of these provident fund are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
Provident Fund		
Current service cost	47.47	43.64
Net interest expense	4.71	3.35
Components of provident fund recognised in profit or loss	**52.18**	**46.99**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain) arising from changes in financial assumptions	(0.69)	(0.48)
Actuarial (gain) / (loss) arising from experience adjustments	(1.98)	46.20
Actuarial (loss) / (gain) on plan assets	2.67	(31.43)
Components of provident fund recognised in other comprehensive income	**-**	**14.29**
Total	**52.18**	**61.28**

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 RETIREMENT BENEFIT PLANS (Contd.)

3.3.2 Defined benefit plans (Contd.)

Movements in the present value of the defined benefit obligation were as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
Opening defined benefit obligation	1,310.79	1,222.57
Adjustment relating to opening present value obligation	0.21	-
Employer Contribution	42.10	42.89
Employee Contribution	104.83	101.41
Value of Interest Rate Guarantee	5.37	0.75
Interest cost	88.24	79.39
Actuarial (gain) / loss arising from changes in financial assumptions	(0.69)	(0.48)
Actuarial (gain) / loss arising from experience adjustments	(1.98)	46.20
Benefits paid	(180.88)	(181.94)
Closing defined benefit obligation	**1,367.99**	**1,310.79**

	Year ended March 31, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
Movements in the fair value of the plan assets were as follows:		
Opening fair value of plan assets	1,241.60	1,171.77
Interest on plan assets	83.53	76.04
Actuarial gain / (loss) on plan assets	(2.67)	31.43
Contributions	152.30	144.30
Benefits paid	(180.88)	(181.94)
Closing fair value of plan assets	**1,293.88**	**1,241.60**

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, 2022	As at March 31, 2021
The breakup of the plan assets into various categories is as follows:		
Central and State Government Securities including Public Sector Undertaking securities	67.00%	63.00%
Corporate Bonds	25.00%	25.00%
Mutual Funds	3.00%	6.00%
Special Deposit Scheme	5.00%	6.00%

Significant actuarial assumptions for the determination of the provident fund are discount rate and interest rate guarantee. The sensitivity analysis given 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, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	0.93	1.09
increase by	0.97	1.14

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 0.5% (March 2021: 0.4%) or decrease in present value obligation by 3.0% (March 2021: 2.8%.)

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 RETIREMENT BENEFIT PLANS (Contd.)

3.3.2 Defined benefit plans (Contd.)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity		
Discount rate	5.20% to 7.36%	5.20% to 6.82%
Expected rate of salary increase	4.00% to 12.00%	4.00% to 10.00%
Average Longevity at retirement age - past service	2.73 to 16.80	3.28 to 16.10
Average Longevity at retirement age - future service	4.90 to 17.76	4.91 to 18.33
Attrition rate	1.00% to 25.00%	1.00% to 20.00%
Compensated Absences		
Discount rate	5.70% to 7.36%	5.20% to 6.82%
Expected rate of salary increase	4.00% to 12.00%	4.00% to 10.00%
Attrition rate	1.00% to 20.00%	1.00% to 20.00%
Other defined benefit plans		
Discount rate	7.18%	6.82%

The estimates of future salary increases, considered in actuarial valuation, take into account 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 are as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
Gratuity		
Current service cost	24.22	24.63
Net interest expense / (Income)	(1.72)	(0.15)
Components of defined benefit costs recognised in Consolidated profit or loss (A)	**22.50**	**24.48**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain) / loss arising from changes in financial assumptions	(10.88)	(10.00)
Actuarial (gain) / loss arising from experience adjustments	52.80	(12.60)
Actuarial (gain) / loss on plan assets	(2.35)	(0.03)
Components of defined benefit costs recognised in other comprehensive income (B)	**39.57**	**(22.63)**
Total (A+B)	**62.07**	**1.85**
Compensated Absences and other defined benefit plans		
Current service cost	20.21	19.45
Net interest expense	8.73	7.67
Actuarial (gain) / loss arising from changes in financial assumptions	(4.10)	(2.15)
Actuarial (gain) / loss arising from experience adjustments	(12.14)	(4.03)
Components of defined benefit costs recognised in Consolidated profit or loss	**12.70**	**20.94**

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 RETIREMENT BENEFIT PLANS (Contd.)

3.3.2 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 is as follows:

Gratuity	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
Present value of defined benefit obligation	430.14	382.47
Fair value of plan assets	422.36	396.79
Net (liability) / asset arising from defined benefit obligation	**(7.78)**	**14.32**
Funded	(6.86)	14.83
Unfunded	(0.92)	(0.51)
Net (liability) / asset arising from defined benefit obligation	**(7.78)**	**14.32**
Compensated Absences and other defined benefit plans		
Present value of defined benefit obligation	136.83	133.43
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation (unfunded)	**136.83**	**133.43**

Funded gratuity is reflected in 'Accrued gratuity' under other current liabilities / Gratuity asset under other current assets, unfunded gratuity and Compensated absences is reflected in 'Others including post retirement benefits' under provisions. [Refer Notes 1.17,1.23, 1.29 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, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
Gratuity		
Opening defined benefit obligation	382.47	390.76
Adjustment / Addition pursuant to business combination	1.21	3.91
Current service cost	24.22	24.63
Interest cost	24.49	24.45
Actuarial (gain) / loss arising from changes in financial assumptions	(10.88)	(10.00)
Actuarial (gain) / loss arising from experience adjustments	52.80	(12.60)
Benefits paid	(44.17)	(38.68)
Closing defined benefit obligation	**430.14**	**382.47**
Compensated Absences and other defined benefit plans		
Opening defined benefit obligation	133.43	122.92
Adjustment / Addition pursuant to business combination	0.20	1.85
Current service cost	20.21	19.45
Interest cost	8.73	7.67
Actuarial (gain) / loss arising from changes in financial assumptions	(4.10)	(2.15)
Actuarial (gain) / loss arising from experience adjustments	(12.14)	(4.03)
Benefits paid	(9.50)	(12.28)
Closing defined benefit obligation	**136.83**	**133.43**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.3 RETIREMENT BENEFIT PLANS (Contd.)

3.3.2 Defined benefit plans (Contd.)

Movements in the fair value of plan assets were as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
Gratuity		
Opening fair value of plan assets	396.79	382.82
Addition pursuant to business combination	1.84	3.39
Interest on plan assets	26.21	24.60
Remeasurements due to actual return on plan assets less interest on plan assets	2.35	0.03
Contributions	39.34	24.63
Benefits paid	(44.17)	(38.68)
Closing fair value of plan assets	**422.36**	**396.79**

The actual return on plan assets was ₹ 28.56 crores (2020-21: ₹ 24.63 crores).

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis given 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.

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
Gratuity		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	14.30	14.47
increase by	15.15	14.04
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	15.85	14.55
decrease by	15.08	14.78
Compensated Absences		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	4.60	5.23
increase by	4.99	5.49
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	5.00	5.64
decrease by	4.66	5.23

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.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit 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 defined benefit obligation 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 ₹ 38.93 crores (March 2021: ₹ 28.85 crores) to the defined benefit plans (gratuity - funded) during the next financial year.

The average duration of the benefit obligation (gratuity) is 7.5 years (March 2021: 8 years).

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.4 EARNINGS PER SHARE

	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Basic earnings per share	(1.22)	(0.56)
Diluted earnings per share	(1.22)	(0.56)
Face value per share	1.00	1.00

3.4.1 Basic and diluted earnings per share

	Year ended March 31, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
Profit for the year attributable to owners of the Parent Company	(358.61)	(165.23)

	Year ended March 31, 2022	Year ended March 31, 2021
	Nos.	Nos.
Weighted average number of equity shares used in the calculation of basic earnings per share	2,93,55,27,276	2,93,55,27,276
Adjustments :		
Dilutive effect - Number of shares relating to employee stock options	23,15,920	-
Weighted average number of equity shares used in the calculation of diluted earnings per share	**2,93,78,43,196**	**2,93,55,27,276**

3.5 SHARE BASED PAYMENTS

3.5.1 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 4 (Refer Note below)	10,00,000	November 13, 2018	November 13, 2028	109.00	55.47
ESOP 5 (Refer Note below)	1,31,00,000	March 20, 2019	March 20, 2030	91.40	40.19
ESOP 6 (Refer Note below)	70,10,000	February 11, 2020	February 11, 2031	82.90	38.58

ESOP 1 & ESOP 2 have got vested / lapsed before April 1, 2019. ESOP 4, a portion of ESOP 5 and ESOP 6 has got lapsed / forfeited during the year ended March 31, 2022.

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.

3.5.2 Fair value of share options granted during the year

There are no options granted during the year by the Parent Company. The weighted average fair value of the stock options granted during the financial year is ₹ Nil (2020-21: ₹ 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.)

3.5.3 Movements in share options during the year

	Year ended March 31, 2022 Numbers	Weighted average exercise price	Year ended March 31, 2021 Numbers	Weighted average exercise price
Opening at the beginning of the year	2,27,10,000	88.99	2,27,10,000	88.99
Granted during the year	-	-	-	-
Forfeited / Lapsed during the year	99,40,000	87.18	-	-
Exercised during the year	-	-	-	-
Balance at the end of the year	1,27,70,000	90.41	2,27,10,000	88.99

Weighted average share price on date of exercise of option ₹ Nil (2021: Nil).

3.5.4 Share options vested but not exercised during the year

ESOP 3: 4,00,000 options (Year ended March 31, 2021: ESOP 3: 4,00,000 options and ESOP 4: 2,00,000 options)

3.5.5 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 ₹ 90.41 (as at March 31, 2021: ₹ 88.99) and a weighted average remaining contractual life of 6.58 years (as at March 31, 2021: 7.93 years).

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 concerns 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 five year's 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.

₹ Crores

	March 31, 2022	March 31, 2021
Debt (long-term and short-term borrowings and lease liabilities net off effective interest rate adjustment)*	24,145.02	24,077.17
Total equity	8,590.16	9,130.30
Debt equity ratio	2.81	2.64
* includes borrowing in relation to financing activity	19,595.37	19,475.50

The capital adequacy ratio relating to subsidiaries engaged in financing activities is 18.71% (March 2021: 17.98%).

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 is required to comply with certain covenants under the facility agreements executed for its borrowings, which were either complied or consent obtained for continuing the facility.

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 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 predictablity 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 represents 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.

3.6 FINANCIAL INSTRUMENTS (Contd.)

(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, 2022 (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	979.63	815.20	164.43	284.47	190.62	93.85	(70.58)
EUR	63.95	42.18	21.77	3.11	0.29	2.82	(18.95)
GBP	0.65	-	0.65	2.35	1.56	0.79	0.14
JPY	2.99	1.64	1.35	-	-	-	(1.35)
SGD	153.69	153.69	-	-	-	-	-
CAD	-	-	-	1.73	0.38	1.35	1.35
Others	6.52	-	6.52	21.53	-	21.53	15.01

As on March 31, 2021 (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	1,062.09	846.54	215.55	224.17	130.95	93.22	(122.33)
EUR	93.81	45.93	47.88	12.47	0.92	11.55	(36.33)
GBP	0.61	-	0.61	0.39	-	0.39	(0.22)
JPY	1.85	-	1.85	-	-	-	(1.85)
SGD	149.29	149.03	0.26	-	-	-	(0.26)
Others	5.83	-	5.83	56.67	-	56.67	50.84

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):

3.6 FINANCIAL INSTRUMENTS (Contd.)

₹ Crores

	USD impact	
	March 31, 2022	March 31, 2021
Profit or loss	1.34	2.45
Equity	1.34	2.45

	EUR impact	
	March 31, 2022	March 31, 2021
Profit or loss	0.37	0.73
Equity	0.37	0.73

	GBP impact	
	March 31, 2022	March 31, 2021
Profit or loss#	0.00	0.00
Equity#	0.00	0.00

	JPY impact	
	March 31, 2022	March 31, 2021
Profit or loss	0.03	0.04
Equity	0.03	0.04

	CAD impact	
	March 31, 2022	March 31, 2021
Profit or loss	0.03	0.01
Equity	0.03	0.01

	SGD impact	
	March 31, 2022	March 31, 2021
Profit or loss	-	0.01
Equity	-	0.01

	Impact of other currencies	
	March 31, 2022	March 31, 2021
Profit or loss	0.30	1.02
Equity	0.30	1.02

Amount is below rounding off norms adopted by the Group.

3.6 FINANCIAL INSTRUMENTS (Contd.)

The following table details the foreign currency forward contracts outstanding at the end of the reporting period:

March 31, 2022	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	0.43	32.21	0.47	May 2022	1 : 1	USD 1 : INR 77.37
Buy USD - Sell INR	USD	0.20	15.16	(0.25)	May 2022	1 : 1	USD 1 : INR 77.50
Buy EUR - Sell INR	EUR	0.20	16.84	(0.06)	May 2022	1 : 1	EUR 1 : INR 85.22
Fair value hedges:							
Buy USD - Sell INR	USD	0.75	56.59	(1.20)	April 2022 - June 2022	1 : 1	USD 1 : INR 77.89
Sell USD - Buy INR	USD	2.64	199.83	(0.21)	April 2022- December 2022	1 : 1	USD 1 : INR 75.94
Buy EUR - Sell INR	EUR	0.50	42.18	(4.64)	April 2022 - March 2023	1 : 1	EUR 1 : INR 97.36
Buy JPY - Sell INR	JPY	2.64	1.64	#	April 2022	1 : 1	JPY 1 : INR 0.62
Sell EUR - Buy INR	EUR	0.01	1.01	0.02	December 2022	1 : 1	EUR 1 : INR 86.20
Sell GBP - Buy INR	GBP	0.02	1.49	0.07	December 2022	1 : 1	GBP 1 : INR 101.30
Sell CAD - Buy INR	CAD	0.01	0.73	0.01	June 2022	1 : 1	CAD 1 : INR 60.85

March 31, 2021	Foreign currency (in Crores)		Notional value (₹ Crores)	Fair value assets (liabilities)* (₹ Crores)	Maturity date	Hedge ratio	Weighted Average rate
Fair value hedges:							
Buy USD - Sell INR	USD	1.57	115.00	(1.07)	April 2021 - June 2022	1 : 1	USD 1 : INR 75.42
Sell USD - Buy INR	USD	1.79	130.95	0.17	April 2021 - June 2021	1 : 1	USD 1 : INR 73.64
Sell EUR - Buy INR	EUR	0.01	0.92	0.03	May 2021	1 : 1	EUR 1 : INR 89.51
Buy EUR - Sell INR	EUR	0.54	45.93	(1.72)	May 2021 - March 2023	1 : 1	EUR 1 : INR 97.07

* included in the balance sheet under 'Current-other financial assets' and 'Non Current & Current-other financial liabilities'. [Refer notes 1.15, 1.21 and 1.27]

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 by the use of interest rate swap contracts. 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.

The exposure of the group's borrowings to interest rate changes at the end of the reporting period are as follows:

	March 31, 2022	March 31, 2021
	₹ Crores	₹ Crores
Variable rate Borrowings	18,370.18	18,555.41
Fixed rate Borrowings *	5,507.74	5,277.19
	23,877.92	**23,832.60**

*includes variable rate borrowings amounting to ₹ 910.16 crores (March 31, 2021: ₹ 878.93 crores) subsequently converted to fixed rate borrowings through swap contracts

Of the above, variable rate borrowings amounting to ₹ 17,006.57 crores (March 31, 2021: ₹ 16,869.55 crores) and fixed rate borrowings amounting to ₹ 2,549.57 crores (March 31, 2021: 2,605.95 crores) relates to financing activity.

3.6 FINANCIAL INSTRUMENTS (Contd.)

Interest rate sensitivity analysis

(a) For business other than financing activities:

The sensitivity analysis given 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, 2022 would decrease / increase by ₹ 3.41 crores (2020-21: decrease / increase by ₹ 4.21 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 given 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 7.58% p.a (March 31, 2021: 8.29% 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, 2022 would decrease / increase by ₹ 48.89 crores (2020-21: decrease / increase by ₹ 41.30 crores). The corresponding impact on profit after tax and equity is ₹ 36.58 crores (2020-21 ₹ 30.90 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 are fixed rate instruments. In relation to housing loans the interest rate sensitivity analysis are provided below.

	March 31, 2022	March 31, 2021
	₹ Crores	₹ Crores
Increase / decrease of 100 basis points for Housing loans	28.63	19.09

(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, 2022 is ₹ 39.89 crores (March 31, 2021 ₹ (8.95) 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 for the year ended March 31, 2022 would approximately decrease / increase by ₹ Nil (year ended March 31, 2021: 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 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 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.

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 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.

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 ageing on trade receivable is given in note 1.12.

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	As at March 31, 2022			As at March 31, 2021		
	Financial services	Retail and wholesale	Total	Financial services	Retail and wholesale	Total
Investments	1,176.25	-	1,176.25	815.93	-	815.93
Loans	1,004.37	20,763.15	21,767.52	1,413.04	20,286.11	21,699.15

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.

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:

			March 31, 2022	March 31, 2021
Ageing (weighted average across various portfolios)	Staging	Provisions	Expected Credit Loss %	Expected Credit Loss %
0-30 days past due	Stage 1	12 month provision	0.15%	0.25%
30-90 days past due	Stage 2	Life time provision	3.86%	2.33%
More than 90 days past due	Stage 3	Life time provision	41.38%	48.65%

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

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, Commercial vehicle loans, Loan against property, Construction equipments and Three wheeler loans. The below table represents gross exposures excluding the value of the underlying collaterals.

Expected credit loss for loans and investments relating to financing activity

₹ Crores

Particulars	March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Investments				
Estimated gross carrying amount at default	1,176.47	-	-	1,176.47
Expected probability of default	-	-	-	-
Expected credit losses	(0.22)	-	-	(0.22)
Carrying amount net of impairment provision	**1,176.25**	**-**	**-**	**1,176.25**
Loans				
Estimated gross carrying amount at default	15,631.50	5,471.10	1,440.81	22,543.41
Expected probability of default	0.03% to 4.64%	1.67% to 52.91%	100%	0.03% to 100%
Expected credit losses	(25.91)	(298.12)	(510.62)	(834.65)
Carrying amount net of impairment provision	**15,605.59**	**5,172.98**	**930.19**	**21,708.76**

Particulars	March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Investments				
Estimated gross carrying amount at default	816.09	-	-	816.09
Expected probability of default	-	-	-	-
Expected credit losses	(0.16)	-	-	(0.16)
Carrying amount net of impairment provision	**815.93**	**-**	**-**	**815.93**
Loans				
Estimated gross carrying amount at default	17,075.01	3,969.17	1,477.36	22,521.54
Expected probability of default	0.03% to 3.71%	1.66% to 33.49%	100%	0.03% to 100%
Expected credit losses	(44.26)	(90.81)	(713.29)	(848.36)
Carrying amount net of impairment provision	**17,030.75**	**3,878.36**	**764.07**	**21,673.18**

Movement in 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, 2020	**34.27**	**11.64**	**858.16**	**904.07**
Assets derecognised or repaid	15.14	2.00	145.81	162.95
Assets originated or purchased	14.53	0.83	6.35	21.71
Change in the measurement from 12 month to life time expected losses and vice versa	(11.75)	76.34	(21.77)	42.82
Write offs	(7.93)	-	(275.26)	(283.19)
Balance as at March 31, 2021	**44.26**	**90.81**	**713.29**	**848.36**
Assets derecognised or repaid	(3.27)	(3.00)	(105.55)	(111.82)
Assets originated or purchased	11.05	26.09	4.55	41.69
Change in the measurement from 12 month to life time expected losses and vice versa	(26.13)	184.22	197.34	355.43
Write offs	-	-	(299.01)	(299.01)
Balance as at March 31, 2022	**25.91**	**298.12**	**510.62**	**834.65**

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, 2022	As at March 31, 2021
		₹ Crores	₹ Crores
Concentration by type of loan:			
- Commercial and other vehicles	Retail	14,725.67	16,300.12
- Loan against property	Retail	3,108.99	2,360.76
- Housing loans	Retail	3,704.38	2,447.61
- Term loans	Corporate	1,004.37	1,413.05
Total		**22,543.41**	**22,521.54**
In India		22,543.41	22,521.54
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 - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications" has clarified / harmonised certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The subsidiaries engaged in financing activities are taking necessary steps to comply with the norms / changes for regulatory reporting, with effect from October 01, 2022 as clarified vide circular dated February 15, 2022. Such clarifications/ harmonisation has no impact on the financial statements for the year ended March 31, 2022, as the subsidiaries engaged in financing activities continues to prepare the financial statements in accordance with the applicable Ind-AS guidelines and the RBI Circular dated March 13, 2020 - "Implementation of Indian Accounting Standards". 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, 2022 and March 31, 2021 are ₹ 1,176.25 crores and ₹ 815.93 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. On the basis of such assessment, in the previous year, the Group had classified and measured loan to customers at amortised cost. This was on the basis that the assignment transactions are generally insignificant and outliers in the context of transactions to meet capital adequacy norms on one-off basis cannot be considered to vitiate the business model.

As at April 1, 2018, the Group reassessed its business model and concluded that loan to customers excluding two wheeler, three wheeler and tractor loans, are not intended to be held for maturity. Accordingly, loan to customers originating after April 1, 2018 have been accounted at Fair Value Through Other Comprehensive Income ('FVTOCI').

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 counter party'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, 2022	March 31, 2021
	₹ Crores	₹ Crores
From Banks		
- Secured	9,525.36	9,467.82
- Unsecured	786.73	481.46
Total	**10,312.09**	**9,949.28**

Further to the above, the Parent Company has an option to issue commercial paper for an amount of ₹ 2,000 crores (March 31, 2021 ₹ 1,750 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, 2022	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	7,249.91	-	-	7,249.91
Other financial liabilities	961.87	138.15	-	1,100.02
Borrowings	9,006.51	14,763.16	910.31	24,679.98
Lease liabilities	58.57	146.54	75.09	280.20
	17,276.86	**15,047.85**	**985.40**	**33,310.11**

₹ Crores

March 31, 2021	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	5,346.23	-	-	5,346.23
Other financial liabilities	1,055.82	98.92	-	1,154.74
Borrowings	8,591.75	14,030.96	905.18	23,527.89
Lease liabilities	47.69	114.86	80.44	242.99
	15,041.49	**14,244.74**	**985.62**	**30,271.85**

As there is no 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, 2022	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Currency and interest rate swaps	0.34	5.05	5.39
Foreign exchange forward contracts	6.52	-	6.52
	6.86	**5.05**	**11.91**

₹ Crores

March 31, 2021	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Currency and interest rate swaps	8.60	19.70	28.30
Foreign exchange forward contracts	0.58	2.28	2.86
	9.18	**21.98**	**31.16**

3.6.3 Categories of Financial assets and liabilites:

₹ Crores

		As at March 31, 2022	As at March 31, 2021
Financial assets			
a.	**Measured at amortised cost:**		
	Investments (net of impairment)	1,176.25	815.93
	Investments - Accounted for using equity method	46.60	41.28
	Cash and cash equivalents	2,030.96	1,481.04
	Other bank balances	68.48	297.49
	Trade receivables (net of allowance)	3,278.79	3,021.22
	Loans (net of allowance)	11,480.85	11,147.33
	Others (net of allowance)	1,274.01	1,600.93
b.	**Mandatorily measured at fair value through profit or loss (FVTPL) / Other Comprehensive Income (OCI):**		
	Investments	1,429.27	238.42
	Loans (net of allowance)*	10,227.91	10,525.85
	Derivatives designated as hedging instruments	46.01	19.62
Financial liabilities			
a.	**Measured at amortised cost:**		
	Borrowings	23,939.35	23,890.11
	Trade payables	7,249.91	5,346.23
	Other financial liabilities	1,319.35	1,341.55
	Lease Liabilities	205.67	187.06
b.	**Mandatorily measured at fair value through profit or loss (FVTPL) / Other Comprehensive Income (OCI):**		
	Derivatives designated as hedging instruments	11.91	31.16

*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 loss accounted during the year amounts to ₹ 278.36 crores (March 31, 2021: Gain ₹ 408.18 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 trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values except for the following:

₹ Crores

		March 31, 2022		March 31, 2021	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Financial assets held at amortised cost:					
-	Investments relating to financing activities	1,176.25	1,176.25	815.93	860.71
-	Loans relating to financing activities	11,480.85	12,383.25	11,173.30	12,220.82
-	Other financial assets relating to financing activities	436.49	436.49	672.31	729.45
Financial liabilities					
Financial liabilities held at amortised cost:					
-	Redeemable non-convertible debentures (relating to financing activities)	1,328.16	1,328.16	1,254.32	1,254.32
-	Subordinated redeemable non-convertible debentures and loans (relating to financing activities)	1,221.41	1,221.41	1,351.63	1,351.63
-	Term loans (relating to financing activities)	17,006.57	17,006.57	16,113.92	16,113.92

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ Crores

	Fair value hierarchy as at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held at amortised cost:				
- Investments relating to financing activities	30.02	-	1,146.23	1,176.25
- Loans relating to financing activities	-	-	12,383.25	12,383.25
- Other financial assets relating to financing activities	-	-	436.49	436.49
Financial liabilities				
Financial liabilities held at amortised cost:				
- Redeemable non-convertible debentures (relating to financing activities)	-	1,328.16	-	1,328.16
- Subordinated redeemable non-convertible debentures and loans (relating to financing activities)	-	1,221.41	-	1,221.41
- Term loans (relating to financing activities)	-	-	17,006.57	17,006.57

₹ Crores

	Fair value hierarchy as at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held at amortised cost:				
- Investments relating to financing activities	38.07	-	822.64	860.71
- Loans relating to financing activities	-	-	12,220.82	12,220.82
- Other financial assets relating to financing activities	-	-	729.45	729.45
Financial liabilities				
Financial liabilities held at amortised cost:				
- Redeemable non-convertible debentures (relating to financing activities)	-	1,254.32	-	1,254.32
- Subordinated redeemable non-convertible debentures and loans (relating to financing activities)	-	1,351.63	-	1,351.63
- Term loans (relating to financing activities)	-	-	16,113.92	16,113.92

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 net 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.

A 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, 2022	March 31, 2021		
Derivative instruments, i.e. forward foreign currency contracts, currency and interest rate swaps	Assets – ₹ 46.01 crores; and Liabilities – ₹ 11.91 crores	Assets – ₹ 19.62 crores; and Liabilities – ₹ 31.16 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, 2022	March 31, 2021				
Investments in mutual funds	₹ 1,298.05 crores	₹ Nil	Level 1	Net assets value in an active market	Not applicable	Not applicable
Investments in unquoted preference shares	Preference shares of: Ashok Leyland Defence Systems Limited - ₹ 6.89 crores (Refer Note 1.3)	Preference shares of: Ashok Leyland Defence Systems Limited - ₹ 6.73 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)
Loans relating to financing activities	₹ 10,227.91 crores	₹ 10,525.85 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 5)

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, 2022	March 31, 2021				
Investments in unquoted equity shares & Investment in special limited partnership	Equity shares of: Hinduja Energy (India) Limited - ₹ 81.33 crores Others - ₹ 49.89 crores (Refer Note 1.3)	Equity shares of: Hinduja Energy (India) Limited - ₹ 188.46 crores Others - ₹ 49.96 crores (Refer Note 1.3)	Level 3	Income approach – in this approach, the discounted 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 During the year the valuation technique has changed from a combination of Net Asset Value (Realizable value) approach and Income approach (with equal weightage to each approach) in the previous year to Income approach in the current year on account of greater certainty / improved visibility of future cash flows due to the Supreme Court Judgement received in February 2022.	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 & 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 ₹ 1.73 crores / ₹ 2.61 crores (as at March 31, 2021: ₹ 1.79 crores / ₹ 2.77 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 ₹ 12.96 crores / ₹ 13.70 crores (as at March 31, 2021: ₹ 8.56 crores / ₹ 9.78 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 ₹ 44.82 crores / ₹ 44.76 crores (as at March 31, 2021: ₹ 5.50 crores / ₹ 4.89 crores).

5) A 100 basis points increase / decrease in the discount rate used would decrease / increase the fair value of loans relating to financing activities by ₹ 189.38 crores / ₹ 196.57 crores (as at March 31, 2021: ₹ 194.72 crores / ₹ 201.84 crores).

6) 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 ₹ 0.18 crores (2020-2021: loss of ₹ 4.61 crores). The Group has also recorded a fair value loss of ₹ 107.13 crores in equity investment of Hinduja Energy (India) Limited and presented the same under exceptional items in Note 2.7.

3.6.5 Transfer of financial assets relating to financing activities:

The Group transfers finance receivables in securitization transactions. In such transactions, the Group surrenders control over the receivables, though it continues to act as an agent for the collection and monitoring of the receivables. The Group also provides credit enhancements to the transferee in respect of securitization transactions on account of which the Group continues to have the obligation to pay to the transferee, limited to the extent of credit enhancements even if it does not collect the equivalent amounts from the original assets and accordingly continues to retain substantially all risks and rewards associated with the receivables.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

During the year ended March 31, 2022, the Group securitised loans with an aggregate carrying amount of ₹ Nil (March 31, 2021: ₹ Nil) to various special purpose vehicles (SPV) for cash proceeds of ₹ Nil (March 31, 2021: ₹ Nil) . As the Group has not transferred the significant risks and rewards relating to these loans, it continues to recognise the full carrying amount of the loans and has recognised the cash received on the transfer as a secured borrowing.

As at March 31, 2022, the carrying amount of these loans that have been transferred but have not been derecognised amounted to ₹ 89.34 crores (March 31, 2021: ₹ 246.35 crores) and the carrying amount of the associated liability is ₹ 89.34 crores (March 31, 2021: ₹ 246.35 crores).

3.6.6 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 100% in case of vehicles respectively.

3.7 REVENUE FROM CONTRACTS WITH CUSTOMERS:

3.7.1 Disaggregated revenue information

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
Type of goods and service		
a) Sale of products		
- Commercial vehicles	18,744.65	12,795.35
- Engines and gensets	987.19	932.33
- Ferrous castings and patterns	469.02	357.58
- Spare parts and others	2,099.79	1,750.93
	22,300.65	**15,836.19**
b) Sale of services		
- Freight and Insurance	353.90	275.33
- Annual Maintenance Contracts (AMC)	226.42	165.87
- IT and engineering services	225.63	13.41
- Others (includes warranty services)	146.88	241.30
	952.83	**695.91**
c) Other operating revenues		
- Scrap sales	76.84	47.90
- Others	9.10	11.37
	85.94	**59.27**
Less: Rebates and discounts	359.34	300.35
Total revenue from contracts with customers	**22,980.08**	**16,291.02**
India	20,155.56	14,173.28
Outside India	2,824.52	2,117.74
Total revenue from contracts with customers	**22,980.08**	**16,291.02**

3.7 REVENUE FROM CONTRACTS WITH CUSTOMERS: (Contd.)

₹ Crores

Timing of revenue recognition	Year ended March 31, 2022		Year ended March 31, 2021	
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	22,377.49	-	15,884.09	-
- Sale of Services - Freight and Insurance	-	353.90	-	275.33
- Sale of Services - IT and engineering	-	225.63	-	13.41
- Sale of Services - AMC and Others (includes warranty services)	55.09	327.31	59.22	359.32
Less: Rebates and discounts	359.34	-	300.35	-
Total revenue from contracts with customers	**22,073.24**	**906.84**	**15,642.96**	**648.06**

3.7.2 Contract balances

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
Trade receivables (Refer notes 1.4 and 1.12)	3,278.79	3,021.22
Contract assets (Refer note 1.16)	21.84	19.72
Contract liabilities (Refer notes 1.22 and 1.28)	692.58	689.46

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.

Contract liabilities include income received in advance arising due to allocation of transaction price towards freight and insurance services on shipments not yet delivered to customer and unexpired service warranties.

3.7.3 Revenue recognised in relation to contract liabilities

Particulars	March 31, 2022	March 31, 2021
	₹ Crores	₹ Crores
Revenue recognised from contract liabilities at the beginning of the year	475.80	547.81
Revenue recognised from performance obligations satisfied in previous years	10.40	1.84

3.7.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	March 31, 2022	March 31, 2021
	₹ Crores	₹ Crores
Contracted price	23,339.42	16,591.37
Adjustments		
Rebates and discounts	(359.34)	(300.35)
Revenue from contracts with customers	**22,980.08**	**16,291.02**

3.7.5 Unsatisfied or partially unsatisfied Perfomance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied), as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
Within one year	540.25	660.30
More than one year	226.85	281.08
	767.10	**941.38**

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 48 months.

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, 2022	Year ended March 31, 2021
		₹ Crores	₹ Crores
i	**Segment Revenue**		
	Commercial vehicle	23,021.03	16,308.09
	Financial service	3,216.92	3,147.26
	Gross Revenue	**26,237.95**	**19,455.35**
	Less: Inter-segmental revenue	0.80	1.25
	Revenue from operations	**26,237.15**	**19,454.10**
ii	**Segment Results**		
	Commercial vehicle	(82.46)	(371.36)
	Financial service (after deducting interest expense on loan financing)	447.63	432.67
	Total Segment Profit before Interest and Tax	**365.17**	**61.31**
	Interest Expense	(334.94)	(335.13)
	Other Income	86.81	131.16
	Share of profit / (loss) of associates and joint ventures (net)	7.52	(0.50)
	Exceptional items	(324.15)	76.08
	Loss before Tax	**(199.59)**	**(67.08)**
	Less: Tax	85.86	2.52
	Loss after Tax (including share of profit / (loss) of associate and joint venture)	**(285.45)**	**(69.60)**
iii	**Segment Assets**		
	Commercial vehicle	19,188.53	17,858.62
	Financial service	24,412.25	24,208.25
	Total Segment Assets	**43,600.78**	**42,066.87**
iv	**Segment Liabilities**		
	Commercial vehicle	14,637.49	12,665.95
	Financial service	20,373.13	20,270.62
	Total Segment Liabilities	**35,010.62**	**32,936.57**
v	**Addition to Non-current asset**		
	Commercial vehicle	910.28	1,730.89
	Financial service	25.09	54.17
	Total Addition to Non-current asset	**935.37**	**1,785.06**

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:

Particulars		In India	Outside India	Total
Revenue from Operations				
	2022	**23,412.63**	**2,824.52**	**26,237.15**
	2021	17,336.36	2,117.74	19,454.10
Non-Current Asset				
	2022	**6,883.70**	**558.35**	**7,442.05**
	2021	7,522.99	406.89	7,929.88

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 SA*

(Holding Company of Machen Development Corporation, Panama)

b) Other related parties

Fellow subsidiaries

Gulf Oil Lubricants India Limited

Hinduja Energy (India) Limited

DA Stuart India Private Limited

Prathama Solarconnect Energy Private Limited

Hinduja Renewables Private Limited

IDL Explosives Limited

Gulf Oil International Limited

Gulf RAK Lube Oil (Ras Al Khaimah)

Gulf Oil Middle East Limited

OHM International Mobility Limited, United Kingdom……From August 2, 2021

OHM Global Mobility Private Limited……From March 8, 2021

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]

Hinduja Tech Limited……upto February 24, 2021

Entities where control exist

Ashok Leyland Educational Trust

Entities under the significant influence of Key Management Personnel

Hinduja Investments and Project services limited

3.9 RELATED PARTY DISCLOSURE (contd.)

Entities where significant influence exist

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** .... From November 26, 2021

Mr. Dheeraj G Hinduja, Non-Executive Chairman .... Upto November 25, 2021

Mr. Vipin Sondhi, Managing Director and CEO ....upto December 31, 2021

Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer

Prof. Dr. Andreas H Biagosch

Dr. Andrew C Palmer

Mr. Jean Brunol

Mr. Jose Maria Alapont

Ms. Manisha Girotra

Mr. Sanjay K Asher

Mr. Saugata Gupta

Mr. Shom Ashok Hinduja .... from November 12, 2021

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 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 (March 2021: Estera trust (Isle of Man) Limited) as significant beneficial owner pursuant to the Companies (Significant Beneficial Owners) Rules, 2018

** Mr. Dheeraj Hinduja was appointed as Executive Chairman (Whole Time) subject to approval of Central Government pursuant to provisions of Schedule V Section 1, part 1 of Companies Act, 2013.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.9 RELATED PARTY DISCLOSURE (Contd.)

c) Related Party Transactions - summary

₹ Crores

	Transactions during the year ended March 31	Fellow Subsidiaries 2022	Fellow Subsidiaries 2021	Associates 2022	Associates 2021	Joint Ventures 2022	Joint Ventures 2021	Holding Company 2022	Holding Company 2021	Entities where control exist 2022	Entities where control exist 2021	Entities where significant influence exist 2022	Entities where significant influence exist 2021	Entities under the significant influence of Key Management Personnel 2022	Entities under the significant influence of Key Management Personnel 2021	Key Management Personnel 2022	Key Management Personnel 2021	Total 2022	Total 2021
1	Purchase of raw materials, components and traded goods (net of GST)	103.30	77.61	1.73	0.71	56.66	44.80	-	-	-	-	-	-	-	-	-	-	161.69	123.12
2	Sales and services (net of GST)	32.28	24.99	99.97	80.32	0.74	1.03	-	-	(0.15)	-	-	-	-	-	-	-	132.84	106.34
3	Other operating income	-	-	-	-	2.13	1.35	-	-	-	-	-	-	-	-	-	-	2.13	1.35
4	Other expenditure incurred / (recovered) (net)	46.46	13.96	0.82	(0.76)	0.01	25.83	2.60	2.36	(0.16)	0.08	-	-		0.01	-	-	49.73	41.48
5	Interest and other income	2.12	17.46	0.78	0.78	0.31	0.20	0.70	-	-	-	-	-	-	-	-	-	3.91	18.44
6	Interest expense	-	-	-	-	-	-	0.01	1.77	-	-	-	-	-	-	-	-	0.01	1.77
7	Financial Guarantee Given	-	-	-	-	12.50	-	-	-	-	-	-	-	-	-	-	-	12.50	-
8	Financial Guarantee Released	-	-	-	-	14.70	-	-	-	-	-	-	-	-	-	-	-	14.70	-
9	Sale of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.29	-	0.29	-
10	Dividend payments	-	-	-	-	-	-	89.61	-	-	-	-	-	-	-	-	-	89.61	-
11	Remuneration to key management personnel**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49.14	24.12	49.14	24.12
12	Commission and sitting fees to key management personnel*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.33	4.30	5.33	4.30
13	Investments in shares of	-	18.66	-	-	2.50	-	-	-	-	-	-	-	-	-	-	-	2.50	18.66
14	Loans / ICD given	-	300.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300.00
15	Loans / ICD repaid	-	400.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400.00
16	Borrowings taken	-	-	-	-	-	-	0.36	50.38	-	-	-	-	-	-	-	-	0.36	50.38
17	Borrowings repaid	-	-	-	-	-	-	0.36	75.56	-	-	-	-	-	-	-	-	0.36	75.56
18	Contribution to employee related trusts made during the year	-	-	-	-	-	-	-	-	-	-	204.21	189.28	-	-	-	-	204.21	189.28
19	Purchase of Asset	-	-	-	-		8.12	-	-	-	-	-	-		-	-	-	-	8.12
20	Allotment of Equity Shares	-	-	-	-	-	-		73.97	-	-	-	-	-	-	-	-	-	73.97

* Includes commission and sitting fees to other directors aggregating to ₹ 4.13 crores (2021 : ₹ 3.48 crores)

All the transactions are at arms length

**pursuant to separation of the director an amount of ₹ 10.33 crores was reversed in profit and loss account due to forfeiture of ESOPs.

The Remuneration paid / payable to the directors amounting to ₹ 17.81 crores (March 2021 : ₹ 12.30 crores) for the financial year ended March 31, 2022, is in excess of the limit prescribed under the Companies Act, 2013 and is subject to approval of the shareholders, which the Parent Company proposes to obtain in the forthcoming Annual General Meeting, in accordance with the provisions of the Companies Act, 2013, as amended from time to time.

3.9 RELATED PARTY DISCLOSURE (Contd.)

d) Related Party balances - summary

₹ Crores

		Fellow Subsidiaries		Associates		Joint Ventures		Holding Company		Entities where control exist		Entities where significant influence exist		Entities under the significant influence of Key Management Personnel		Key Management Personnel		Total	
	Balances as on March 31	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
1	Trade receivables (Refer Notes 1.4 and 1.12)	11.91	7.94	55.42	75.87	0.52	0.25	-	-	0.18	0.64	-	-	-	-	-	-	68.03	84.70
2	Other financial and non - financial assets (Refer Notes 1.9, 1.15 and 1.16)	1.06	0.01	-	-	5.17	0.22	-	-	-	-	0.22	-	-	-	-	-	6.45	0.23
3	Trade and other payables	26.74	26.37	0.63	1.22	5.56	17.64	0.07	1.54	0.12	-	16.85	10.21	-	0.19	5.08	8.50	55.05	65.67
4	Financial guarantees	-	-	-	-	10.00	14.70	-	-	-	-	-	-	-	-	-	-	10.00	14.70

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.9 RELATED PARTY DISCLOSURE (Contd.)

e) Significant Related Party Transactions

₹ Crores

	Transactions during the year ended March 31	2022	2021
1	**Purchase of raw materials, components and traded goods (net of GST)**		
	Gulf Oil Lubricants India Limited	95.22	70.85
	Ashley Alteams India Limited	56.66	44.80
2	**Sales and services (net of GST)**		
	Gulf Oil Lubricants India Limited	32.28	24.99
	Lanka Ashok Leyland PLC	80.35	74.21
	Ashok Leyland Defence Systems Limited	19.62	6.11
3	**Other operating income**		
	Ashley Alteams India Limited	2.13	1.35
4	**Other expenditure incurred / (recovered) (net)**		
	Hinduja Automotive Limited, United Kingdom	2.60	2.36
	Ashok Leyland Defence Systems Limited	0.18	(0.58)
	Hinduja Tech Limited	-	25.89
	Prathama Solar Connect Energy Private Limited	40.67	8.24
	Hinduja renewables Private Limited	6.70	5.55
5	**Interest and other income**		
	Hinduja Energy (India) Limited	-	17.46
	Ashok Leyland Defence Systems Limited	0.78	0.78
	Gulf Oil Middle East Limited	1.79	-
	Hinduja Automotive Limited, United Kingdom	0.70	-
	Gulf Oil International Limited	0.33	-
6	**Dividend payment**		
	Hinduja Automotive Limited, United Kingdom	89.61	-
7	**Investment in shares of**		
	Ashley Alteams India Limited	2.50	-
	Prathama Solar Connect Energy Private Limited		18.66
8	**Allotment of Equity shares**		
	Hinduja Automotive Limited, United Kingdom	-	73.97
9	**Loan / ICD given**		
	Hinduja Energy (India) Limited	-	300.00
10	**Loan / ICD repaid**		
	Hinduja Energy (India) Limited	-	400.00
11	**Purchase of Asset**		
	Ashley Alteams India Limited	-	8.12
12	**Sale of asset**		
	Mr. Vipin Sondhi	0.29	-
13	**Borrowing taken**		
	Hinduja Automotive Limited, United Kingdom	0.36	50.38
14	**Borrowing repaid**		
	Hinduja Automotive Limited, United Kingdom	0.36	75.56
15	**Interest expense**		
	Hinduja Automotive Limited, United Kingdom	0.01	1.77

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.9 RELATED PARTY DISCLOSURE (Contd.)

e) Significant Related Party Transactions (Contd.)

₹ Crores

	Transactions during the year ended March 31	2022	2021
16	**Contribution to employee related trusts made during the year including loans and interest recovered**		
	Ashok Leyland Employees Ennore Provident Fund Trust	47.10	49.43
	Ashok Leyland Employees Hosur Provident Fund Trust	41.95	37.75
	Ashok Leyland Senior Executives Provident Fund Trust	45.77	43.91
	Ashok Leyland Employees Gratuity Fund	30.21	13.50
	Ashok Leyland Superannuation Fund	15.21	14.08
	Ennore Foundries Gratuity Fund	4.11	8.32
	Ennore Foundries Limited Employees Provident Fund	11.35	13.22
17	**Commission and sitting fees to key management personnel**		
	Mr. Dheeraj G Hinduja	0.76	0.82
	Commission and sitting fees to other directors in aggregate	4.57	3.48
18	**Financial Guarantee Given**		
	Ashley Alteams India Limited	12.50	-
19	**Financial Guarantee Released**		
	Ashley Alteams India Limited	14.70	-
20	**Remuneration to key management personnel***		
	Mr. Vipin Sondhi		
	Short term employee benefits	14.65	10.62
	Other long term employee benefits	0.08	0.08
	Share-based payment@	-	5.63
	Mr. Gopal Mahadevan		
	Short term employee benefits	5.65	4.80
	Other long term employee benefits	0.08	0.07
	Share-based payment	2.62	2.92
	Mr. Andrew C Palmer		
	Employee benefits paid by subsidiary	24.32	-
	Mr. Dheeraj G Hinduja		
	Short term employee benefits	1.66	-
	Other long term employee benefits	0.08	-

@pursuant to separation of the director an amount of ₹ 10.33 crores was reversed in profit and loss account due to forfeiture of ESOPs.

* Excludes contribution for gratuity and compensated absences 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 the part of 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, 2022 includes lease expense classified as Short term lease of ₹ 24.90 crores (March 31, 2021: ₹ 30.20 crores) low value leases of ₹ 0.01 crores (March 31, 2021: ₹ 0.01 crores) and variable lease payments aggregating to ₹ 64.82 crores (March 31, 2021: ₹ 48.45 crores) which are not required to be recognised as a per practical expedient under Ind AS 116 'Leases' mentioned above.

3.11 CONTINGENT LIABILITIES

	Particulars	As at March 31, 2022	As at March 31, 2021
		₹ Crores	₹ Crores
a)	Claims against the Group not acknowledged as debts (net)		
	i) Sales tax / VAT / GST #	273.80	274.79
	ii) Excise duty #	8.68	8.19
	iii) Service Tax #	111.43	61.31
	iv) Customs Duty #	0.43	0.43
	v) Income tax $	143.19	155.55
	vi) Others	46.49	41.01
	$ 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.		
b)	Corporate guarantees given to others for loans taken by a joint venture company	10.00	14.70
c)	Share of contingent liabilities of joint ventures and associates	3.15	0.01
d)	Bank guarantees	2.00	31.24

Notes:

1. Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.

2. 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 these consolidated financial statements.

3. 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.

3.12 COMMITMENTS :

		As at March 31, 2022	As at March 31, 2021
		₹ Crores	₹ Crores
a)	Capital commitments (net of advances) not provided for	317.25	277.08
	[including ₹ 19.55 crores (March 2021: ₹ 25.08 crores) in respect of intangible assets]		
b)	Share of commitments of joint ventures	0.88	0.04
c)	Uncalled liability on partly paid shares / investments	#	#
d)	Other commitments		
	i) Financial support given to certain joint ventures (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 Group.

3.13 DETAILS OF BORROWINGS:

I Non-current borrowings:

₹ Crores

	As at March 31, 2022				As at March 31, 2021		
	Non-current	Current Maturities	Total	Particulars of Redemption / Repayment	Non-current	Current Maturities	Total
a. SECURED BORROWINGS:							
i. Debenture Series							
7.45% p.a. to 9.25% p.a (March 2021 : 8.00% p.a. to 9.25% p.a.) Secured redeemable non-convertible debentures Sub 1	878.51	449.65	1,328.16	Redemption period ranging from 18 months to 3 years from the date of allotment	620.00	634.32	1,254.32
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 after the end of 3 years.	-	-	-
Series 2	200.00	-	200.00	Bullet repayment at the end of 3 years from the date of allotment i.e. June 25, 2023	200.00	-	200.00
Series 1	400.00	-	400.00	Bullet repayment at the end of 3 years from the date of allotment i.e. May 19, 2023	400.00	-	400.00
	1,678.51	**449.65**	**2,128.16**		**1,220.00**	**634.32**	**1,854.32**
ii. Term loans:							
TL - 1 - SUB 1	10,526.77	5,839.09	16,365.86	8.00% to 9.25% p.a. Repayable in varying installments in 3 months to 5 years	11,246.62	4,867.30	16,113.92
TL-12	400.00	100.00	500.00	Repayable annually in 5 equal installments starting from September 9, 2022	500.00	-	500.00
TL-13	300.00	-	300.00	Repayable annually in 4 equal installments starting from May 12, 2023	300.00	-	300.00
TL-14	62.50	25.00	87.50	Repayable semi annually in 8 equal installments starting from February 28, 2022	87.50	12.50	100.00
TL-15	100.00	-	100.00	Repayable quarterly in 20 installments of varying amounts starting from July 1, 2023	100.00	-	100.00
TL-16	200.00	-	200.00	Repayable annually in 5 equal installments starting from March 25, 2025	-	-	-
TL-17	237.50	12.50	250.00	Repayable semi annually in 12 installments of varying amounts starting from September 30, 2022	-	-	-
	11,826.77	**5,976.59**	**17,803.36**		**12,234.12**	**4,879.80**	**17,113.92**

I Non-current borrowings:

1. (i) TL -12 - Term loan relating to Parent Company 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 ₹ 500 crores.

   (ii) TL - 13 - Term loan relating to Parent Company was secured by way of first ranking charge on the specified plant and machinery of three manufacturing units of the Company located at Hosur to the extent of 1.25 times of the amount of loan.

3.13 DETAILS OF BORROWINGS: (Contd.)

(iii) TL - 14 - Term loan relating to Parent Company was secured by way of exclusive charge on the specified plant and machinery and other moveable 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 relating to Parent Company was secured by way of exclusive charge on the specified plant and machinery and other moveable fixed assets of a manufacturing unit of the Company located at Pantnagar to the extent of 1.25 times of the amount of loan.

(v) TL -16 - Term loan will be secured (within the stipulated time) by way of *pari passu* charge on all the plant and machinery (both present and future) of the Parent Company to the extent of ₹ 200 crores.

(vi) TL -17 - Term loan will be secured (within the stipulated time) by way of *pari passu* charge on all the plant and machinery (both present and future) of the Parent Company to the extent of 1.10 times of the amount of loan.

(vii) NCD - Series 1 - 8% AL 2023 relating to Parent Company are secured by way of first ranking charge over specific plant and machinery of manufacturing and research and development units situated at Ennore and Vellivoyalchavadi and specific immoveable properties of manufacturing unit at Ennore to the extent of 1.10 times of the amount of debentures.

(viii) NCD - Series 2 - 7.65% AL 2023 relating to Parent Company are secured by way of First Ranking charge over specific plant and machinery of three manufacturing units situated at Hosur and specific immoveable properties situated at manufacturing unit at Ennore to the extent of 1.10 times of the amount of debentures.

(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 manfacturing unit situated at Hosur, Unit 2 to the extent of 1.10 times of the amount of debentures.

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 financing activities includes financial assets (loans and investments) and land amounting to ₹ 22,947.28 crores (March 2021: ₹ 22,518.89 crores).

₹ Crores

		As at March 31, 2022				As at March 31, 2021		
		Non-current	Current Maturities	Total	Particulars of Redemption / Repayment	Non-current	Current Maturities	Total
iii.	**Other loans:**							
	SIPCOT Soft Loan	31.18	-	31.18	Repayable by August 1, 2025	31.18	-	31.18
		31.18	**-**	**31.18**		**31.18**	**-**	**31.18**

The above SIPCOT soft loan availed by the Parent Company shall be secured by way of first charge on the fixed assets created / proposed to be created and the same shall be on pari passu with other first charge holders of LCV division.

b.	**Unsecured borrowings:**							
i)	**ECB loans:**							
	ECB - 16	152.24	-	152.24	Repayable annually in 3 equal installments starting from November 18, 2023	147.83	-	147.83
	ECB - 15	101.06	50.53	151.59	Repayable annually in 3 equal installments starting from February 28, 2023	146.22	-	146.22
	ECB - 14	404.22	202.11	606.33	Repayable annually in 3 equal installments starting from September 23, 2022	584.88	-	584.88
		657.52	**252.64**	**910.16**		**878.93**	**-**	**878.93**
ii)	**Non-convertible debentures:**							
	9.20% p.a. to 11.60% p.a. - Subordinated redeemable non-convertible debentures - Sub 1	966.55	180.00	1,146.55	Redemption period ranging from 5.4 years to 7 years	1,065.00	211.63	1,276.63
		966.55	**180.00**	**1,146.55**		**1,065.00**	**211.63**	**1,276.63**

3.13 DETAILS OF BORROWINGS: (Contd.)

₹ Crores

		As at March 31, 2022				As at March 31, 2021		
		Non-current	Current Maturities	Total	Particulars of Redemption / Repayment	Non-current	Current Maturities	Total
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**
iv)	**Other subordinated loans:**							
	11.21% p.a. - Subordinated loans - Sub 1	74.86	-	74.86	Redemption period is 5.5 years	75.00	-	75.00
		74.86	**-**	**74.86**		**75.00**	**-**	**75.00**

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, 2021: 11.60% p.a.).

II Current borrowings:

		As at March 31, 2022	Particulars of Redemption / Repayment	As at March 31, 2021
		₹ Crores	₹ Crores	₹ Crores
a.	**Secured borrowings**			
	- STL 1 Sub 1	640.71	Repayable on demand	755.62
	- STL 3 Sub 6	31.00	Repayable on demand	39.00
	- STL 1 Sub 7	3.00	Repayable on demand	5.00
	- STL 2 Sub 7	11.53	Repayable on demand	-
	- STL 2 Sub 5	117.91	Repayable within 6 months	120.05
	- STL 3 Sub 5	16.84	Repayable on May 31, 2022	-
	- STL 1 Sub 8	60.46	Repayable on demand	75.62
	- STL 1 Sub 9	16.19	Repayable on demand	18.23
	- STL 1 Sub 12	29.84	Repayable on March 26, 2023	-
	- STL 1 Sub 10	-	Repaid during the year	6.27
		927.48		**1,019.79**

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 a *pari passu* 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 relating to a subsidiary is a working capital demand loan which is secured by way of hypothecation of bills receivables, book debt inventories and all other moveable assets both present and future of the subsidiary reduced by the trade payables in the books of subsidiary.

3. STL 1 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, 2021: ₹ 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 backed by letter of comfort issued by the Parent Company.

5. STL 2 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 9 relating to a subsidiary is in the nature of a working capital demand loan which is secured against inventories and trade receivables of the subsidiary.

7. 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.

3.13 DETAILS OF BORROWINGS: (Contd.)

8. Working capital demand loans from banks 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 crore (March 31, 2021: ₹ 2,000 crores). Parent Company has no outstanding borrowing towards this facility.

9. STL 1 Sub 12 relating to a subsidiary is secured against assets and undertakings of the subsidiary.

II Current borrowings:

₹ Crores

	As at March 31, 2022	Particulars of Redemption / Repayment	As at March 31, 2021
b. Unsecured borrowings			
- STL 21	-	Repaid on September 9, 2021	170.00
- STL 22	-	Repaid on various dates in October, 2021	500.00
- STL 23	-	Repaid on August 18, 2021	150.00
- STL 24	150.00	Repayable on August 30, 2022	-
- STL 1 Sub 8	75.78	Repayable on demand	73.10
- STL 2 Sub 3	244.66	Repayable / Repaid on various dates upto March 2023 / May 2021	247.85
- STL 4 Sub 3	-	Repaid	50.37
- STL 5 Sub 3	-	Repaid	30.23
- STL 6 Sub 3	19.89	Repayable on March 2023 / April 2021	20.15
- STL 7 Sub 3	249.01	Repayable on December 31, 2022	-
- Bills discounted	116.83	Repayable / Repaid on various dates upto October 2022 / September 2021	91.13
- Commercial Paper	-	Repaid on June 7, 2021	250.00
	856.17		**1,582.83**

The above outstanding borrowings carry varying rates of interest with the maximum rate of interest going upto 8.00% p.a. (as at March 31, 2021: 9.10% p.a.).

The carrying value of the above borrowings (as reflected in Notes 1.20 and 1.25) 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, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
1. Cash and cash equivalents	2,030.96	1,481.04
2. Liquid investments	1,298.05	-
3. Current borrowings	(1,785.11)	(2,603.66)
4. Non-current borrowings	(22,205.58)	(21,339.66)
5. Derivative Asset / (Liability)	34.10	(8.95)
6. Lease Liabilities	(205.67)	(187.06)
Net debt	**(20,833.25)**	**(22,658.29)**

3.13 DETAILS OF BORROWINGS: (Contd.)

₹ Crores

Particulars	Other assets		Liabilities from financing activities				
	Cash and Bank Overdraft	Liquid investments	Non-current borrowings	Current borrowings	Derivative Asset / (Liability)	Lease Liabilities	Total
Net debt as at March 31, 2020	**2,188.24**	**-**	**(19,404.50)**	**(2,842.68)**	**26.16**	**(179.52)**	**(20,212.30)**
Cash flows (net)	(725.56)	(6.91)	(1,931.90)	174.84		40.89	(2,448.64)
Pursuant to business combination	9.37	-	-	(6.26)	-	(19.01)	(15.90)
Foreign exchange adjustments	8.99	-	32.66	(2.49)	-	(1.82)	37.34
Profit / (loss) on sale of liquid investments (net)	-	6.91	-	-	-	-	6.91
Interest expense	-	-	(471.64)	136.86	-	(6.87)	(341.65)
Interest paid	-	-	435.72	(137.89)	-	-	297.83
Other non-cash movements							
- Addition / Deletion (Net) relating to lease liabilities	-	-	-	-	-	(20.73)	(20.73)
- Fair value adjustments	-	-	-	-	(35.11)	-	(35.11)
- Conversion of loan into equity by a subsidiary	-	-	-	73.96	-	-	73.96
Net debt as at March 31, 2021	**1,481.04**	**-**	**(21,339.66)**	**(2,603.66)**	**(8.95)**	**(187.06)**	**(22,658.29)**
Cash flows (net)	550.26	1,283.82	(833.06)	816.81	-	50.55	1,868.38
Foreign exchange adjustments	(0.34)	-	(31.23)	3.65	-	0.36	(27.56)
Profit / (loss) on sale of liquid investments (net)	-	13.31	-	-	-	-	13.31
Interest expense	-	-	(196.93)	(111.58)	-	(8.72)	(317.23)
Interest paid	-	-	193.23	111.74	-	-	304.97
Other non-cash movements							
- Addition / Deletion (Net) relating to lease liabilities	-	-	-	-	-	(60.80)	(60.80)
- Fair value adjustments	-	0.92	-	-	43.05	-	43.97
- Others	-	-	2.07	(2.07)	-	-	-
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)**

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 CONSOLIDATED FINANCIAL STATEMENTS

3.14 INFORMATION RELATING TO SUBSIDIARIES

A) Details of the Group's subsidiaries are as follows:

			Proportion of ownership interest	
Name of subsidiary	**Principal activity**	**Place of incorporation and operation**	**As at March 31, 2022**	**As at March 31, 2021**
Hinduja Leyland Finance Limited and its subsidiaries	Relating to financing activities	Chennai - India	68.80%	68.81%
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	91.63%	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	85.58%	85.58%
Ashok Leyland (UAE) LLC and its subsdiaries	Manufacturing of commercial vehicle	UAE	100.00%	100.00%
Albonair (India) Private Limited	Relating to commercial vehicle	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	India	100.00%	100.00%
Hinduja Tech Limited and its subsidiaries (from February 25, 2021)	Relating to IT services	Chennai - India	98.91%	100.00%
Vishwa Bus and Coaches Limited (from November 19, 2020)	Relating to commercial vehicle	Chennai - India	100.00%	100.00%
Gro Digital Platforms Limited (from April 14, 2021)	Relating to commercial vehicle	Chennai - India	84.40%	-

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:

		Number of wholly-owned subsidiaries	
Principal activity	**Place of incorporation and operation**	**As at March 31, 2022**	**As at March 31, 2021**
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	2	2
Relating to commercial vehicle	Germany	1	1
Relating to commercial vehicle	China*	1	1
Relating to air chartering services	India	1	1
Relating to IT services	India	0	1
Relating to IT services	Germany*	0	1
Relating to IT services	United States of America*	0	1
Relating to IT services	China*	0	1

* wholly owned step down subsidiaries

Also refer 3.1

3.14 INFORMATION RELATING TO SUBSIDIARIES (Contd.)

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries As at March 31, 2022	As at March 31, 2021
Relating to financing activities	Chennai - India	3	3
Relating to commercial vehicle	Madurai - India	1	1
Relating to commercial vehicle	Chennai - India	1	0
Manufacturing of commercial vehicle	United Kingdom **	7	9
Trading in commercial vehicle	Chennai - India	1	1
Manpower supply services	Chennai - India	1	1
Relating to IT services	Chennai - India**	5	0

** includes 4 step down subsidiaries relating to IT services and 6 step down subsidiaries relating to manufacturing of commercial vehicles

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, 2022	March 31, 2021	March 31, 2022 ₹ Crores	March 31, 2021 ₹ Crores	March 31, 2022 ₹ Crores	March 31, 2021 ₹ Crores
Hinduja Leyland Finance Limited and its subsidiaries	Chennai - India	31.20%	31.19%	41.25	199.08	1,278.54	1,236.25
Individually immaterial subsidiaries with non-controlling interests				(32.47)	(8.44)	7.73	32.03
				8.78	**190.64**	**1,286.27**	**1,268.28**

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.

	As at March 31, 2022 ₹ Crores	As at March 31, 2021 ₹ Crores
Hinduja Leyland Finance Limited and its subsidiaries		
Current assets	8,213.40	7,618.08
Non-current assets	16,257.61	16,616.14
Total assets	**24,471.01**	**24,234.22**
Current liabilities	7,610.02	6,901.56
Non-current liabilities	12,763.11	13,369.06
Total liabilities	**20,373.13**	**20,270.62**
Equity attributable to owners of the Company	2,819.34	2,727.35
Non-controlling interests	1,278.54	1,236.25

3.14 INFORMATION RELATING TO SUBSIDIARIES (Contd.)

	Year ended March 31, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
Revenue	3,097.96	3,053.32
Expenses (including tax)	2,758.25	2,720.41
Profit for the year	**339.71**	**332.91**
Profit attributable to owners of the Company	233.72	229.07
Profit attributable to the non-controlling interests	105.99	103.84
Profit for the year	**339.71**	**332.91**
Other Comprehensive Income attributable to owners of the Company	(142.76)	210.12
Other Comprehensive Income attributable to the non-controlling interests	(64.74)	95.24
Other Comprehensive Income for the year	**(207.50)**	**305.36**
Total Comprehensive Income attributable to owners of the Company	90.96	439.19
Total Comprehensive Income attributable to the non-controlling interests	41.25	199.08
Total Comprehensive Income for the year	**132.21**	**638.27**
Dividends paid to non-controlling interests	-	-
Net cash inflow / (outflow) from operating activities	295.59	(1,133.01)
Net cash inflow / (outflow) from investing activities	(396.31)	(239.13)
Net cash (outflow) / inflow from financing activities	92.71	1,348.16
Net cash inflow	**(8.01)**	**(23.98)**

The Board of Directors of Hinduja Leyland Finance Limited, a subsidiary of the Parent Company, at their meeting held on March 16, 2022, accorded an in-principal approval for the proposed merger of Hinduja Leyland Finance Limited into NXT DIGITAL Limited, listed entity in India, subject to all applicable statutory and regulatory approvals.

D) Goodwill

	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
Gross Goodwill at the beginning of the year	1,641.00	1,515.79
Add: Recognised during the year	-	125.21
Gross Goodwill at the end of the year	**1,641.00**	**1,641.00**
Opening accumulated impairment	400.23	400.23
Add: Impairment during the year (Refer Note 3.26)	208.94	-
Closing accumulated impairment	**609.17**	**400.23**
Carrying amount of Goodwill	**1,031.83**	**1,240.77**

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, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
Hinduja Leyland Finance Limited and its subsidiaries	426.47	426.47
Light commercial vehicle division of parent company	449.90	449.90
Albonair GmbH and its subsidiary	-	208.94
Hinduja Tech Limited and its subsidiaries	125.21	125.21
Others	30.25	30.25
	1,031.83	**1,240.77**

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 10.50% to 18.50% (March 2021: 11.20% to 29.00%) and terminal growth rate ranging from 1.00% to 5.00% (March 2021: Nil to 4.00%) for the purpose of impairment testing based on the next four to nine 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 1B.4, 1C and 3.26.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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:

	Year ended March 31, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
Aggregate information of associates that are not individually material		
The Group's share of profit	7.02	1.01
The Group's share of other comprehensive (loss)	(10.72)	(2.89)
The Group's share of total comprehensive income (loss)	**(3.70)**	**(1.88)**

	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
Aggregate carrying amount of the Group's interests in these associates	42.84	40.53

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:

	Year ended March 31, 2022	Year ended March 31, 2021
	₹ Crores	₹ Crores
Aggregate information of joint ventures that are not individually material		
The Group's share of profit / (loss)	0.50	(1.51)
The Group's share of other comprehensive income / (loss)	0.03	(0.18)
The Group's share of total comprehensive income / (loss)	**0.53**	**(1.69)**

	As at March 31, 2022	As at March 31, 2021
	₹ Crores	₹ Crores
Aggregate carrying amount of the Group's interests in these joint ventures	3.76	0.75

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:

	Particulars	March 31, 2022	March 31, 2021
		₹ Crores	₹ Crores
i)	Principal amount paid after appointed date during the year	176.70	16.19
ii)	Amount of interest due and payable for the delayed payment of Principal amount	-	0.14
iii)	Principal amount remaining unpaid as at year end (over due)	2.96	2.26
iv)	Principal amount remaining unpaid as at year end (not due)	59.37	36.35
v)	Interest due and payable on principal amount unpaid as at the year end	0.09	0.02
vi)	Total amount of interest accrued and unpaid as at year end	0.30	0.25
vii)	Further interest remaining due and payable for earlier years	0.21	0.09

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.18 Relating to financing activities of the Group:

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas as India witnessed two more waves of the COVID-19 pandemic during the year ended March 31, 2022. Currently, the number of new Covid-19 cases have reduced significantly and the Government of India has withdrawn most of the Covid-19 related restrictions. As at March 31, 2022, the subsidiary engaged in financing activities holds an aggregate provision of ₹ 838.33 crores against the advances which includes additional provision of ₹ 150.12 crores for the accounts restructured under the RBI resolution framework.

3.19 ACCOUNTING FOR BUSINESS COMBINATION

The Parent Company has acquired 38% stake in Hinduja Tech Limited (Formerly Joint Venture of the Group) on February 25, 2021 for a consideration of ₹ 70.20 Crores. In accordance with Ind AS 103 (Business Combination), the Group has accounted for the same using acquisition method of accounting. The Group has recognised a gain of ₹ 76.39 Crores from disposal of stake in Joint Venture. Consequently the Fair Value of Assets and Liabilities taken over by the Group is as follows:

Particulars	₹ Crores
Assets	
Property, Plant and Equipment and Capital work in Progress	2.31
Goodwill on acquisition	125.21
Other Intangible assets	2.14
Right-of-use assets	17.71
Trade Receivable	18.83
Cash and Cash equivalents and Bank Balances	9.48
Other Assets	89.91
Liabilities	
Borrowings	6.27
Lease Liabilities	19.01
Trade Payables	3.50
Other Liabilities and Provisions	29.72

3.20 The group does not have any transactions with struck off companies under Companies Act, 2013 or Companies Act, 1956, during the year, where applicable.

3.21 The Group (where applicable) has not advanced or loaned or invested funds to any other person(s) or entity(ies), 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 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.

3.22 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.

3.23 The Group has complied with the number of layers prescribed under the Companies Act, where applicable.

3.24 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.

3.25 The Group has not traded or invested in crypto currency or virtual currency during the current or previous year, where applicable.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.26 For the year ended March 31, 2022, the Group has recorded a loss on fair valuation of equity investment in Hinduja Energy (India) Limited (HEIL) amounting to Rs. 107.13 crores under exceptional item based on business plan of HEIL and the independent valuers report. The Group has recorded an impairment loss on Goodwill and net assets of its subsidiary viz Albonair GmbH (Cash Generating Unit (CGU)) amounting to Rs 236.91 crores 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% - 20% for current and previous years for the aforementioned entities. Both pre tax discount rate and post tax discount rate gives the same recoverable amount.

3.27 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.

3.29 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.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number - 304026E/E-300009
Chartered Accountants

A.J. Shaikh
Partner
Membership Number - 203637

May 19, 2022
Chennai

For and on behalf of the Board of Directors

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

N. Ramanathan
Company Secretary

May 19, 2022
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

Sl. 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	469.89	3,627.99	20,373.13	24,471.01	1,176.25	3,097.96	447.63	107.92	339.71	(207.50)	132.21	68.80%
2	Global TVS Bus Body Builders Limited	December 10, 2013	India	INR	9.90	26.96	32.32	69.18	-	87.72	(0.98)	(0.27)	(0.71)	0.05	(0.66)	66.67%
3	Gulf Ashley Motors Limited	April 1, 2013	India	INR	29.70	(18.62)	63.37	74.45	0.02	368.97	(8.70)	(0.39)	(8.31)	(0.02)	(8.33)	93.15%
4	Optare PLC and its subsidiaries	April 1, 2013	UK	GBP	899.37	(1,213.59)	1,182.32	868.10	-	244.02	(374.90)	(14.38)	(360.52)	3.02	(357.50)	91.63%
5	Ashley Aviation Limited	January 1, 2019	India	INR	22.28	(27.51)	14.54	9.31	-	9.84	(5.31)	-	(5.31)	-	(5.31)	100.00%
6	Ashok Leyland (Nigeria) Limited	April 1, 2013	Nigeria	NGN	0.36	(0.37)	2.00	1.99	-	0.11	(1.69)	-	(1.69)	-	(1.69)	100.00%
7	Ashok Leyland (Chile) SA	April 1, 2013	Chile	CLP	3.76	(3.49)	-	0.27	-	-	(0.03)	-	(0.03)	-	(0.03)	100.00%
8	HLF Services Limited	April 1, 2013	India	INR	0.05	10.97	17.77	28.79	-	160.78	3.27	0.66	2.61	0.62	3.23	85.58%
9	Ashok Leyland (UAE) LLC and its subsidiaries	April 1, 2015	UAE	AED	96.52	(92.07)	414.53	418.98	-	672.32	(1.90)	(0.93)	(0.97)	(0.42)	(1.39)	100.00%
10	Albonair (India) Private Limited	April 1, 2013	India	INR	45.00	28.12	212.04	285.16	-	522.30	40.40	9.47	30.93	(0.04)	30.89	100.00%
11	Hinduja Tech Limited and its subsidiaries	February 25, 2021	India	INR	155.65	(66.18)	98.87	188.34	-	261.86	24.18	(4.03)	28.21	0.25	28.46	98.91%
12	Albonair GmbH, Germany and its subsidiary	April 1, 2013	Germany	EUR	372.38	(344.41)	259.06	287.03	-	493.38	8.55	0.31	8.24	(0.39)	7.85	100.00%
13	Vishwa Bus and Coaches Limited	November 19, 2020	India	INR	33.00	(4.00)	23.58	52.58	-	43.87	(3.79)	(0.29)	(3.50)	0.01	(3.49)	100.00%
14	Gro Digital Platforms Limited	April 14, 2021	India	INR	20.00	(0.04)	9.15	29.11	-	1.47	(0.04)	-	(0.04)	-	(0.04)	84.40%

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 subsidiaires, associates and joint ventures are given below:

CURRENCY	EUR	GBP	CLP	USD	NGN	AED	LKR
Closing Rate	84.22	99.45	0.09	75.79	0.18	20.63	0.26
Average Rate	86.57	101.77	0.09	74.49	0.18	20.28	0.37

Part "B": Associates and Joint Ventures

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

₹ Crores

Sl. No.	Name of Associate / Joint Venture	Latest Audited Balance Sheet date	Shares held by the Parent Company on 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-22	50,27,567	5.03	48.49%	Voting Power	Not Applicable	28.19	3.51	3.72
2	Lanka Ashok Leyland PLC	31-Mar-22	10,08,332	0.57	27.85%	Voting Power	Not Applicable	97.07	(7.21)	(18.81)
3	Mangalam Retail Services Limited	31-Mar-22	37,470	0.04	37.48%	Voting Power	Not Applicable	0.10	##	##
(B)	Joint Ventures									
1	Ashley Alteams India Limited	31-Mar-22	7,59,47,500	75.94	50.00%	Voting Power	Not Applicable	7.85	0.53	0.53
2	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	11.55	-	0.12

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
Chartered Accountants

A.J. Shaikh
Partner
Membership Number - 203637

May 19, 2022
Chennai

For and on behalf of the Board of Directors

Gopal Mahadevan
Whole-time Director and Chief Financial Officer
DIN: 01746102

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

N. Ramanathan
Company Secretary

May 19, 2022
Chennai

ASHOK LEYLAND

Aapki Jeet. Hamari Jeet.

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HINDUJA GROUP