June 28, 2023

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

Through: NEAPS

Symbol: ASHOKLEY

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Through: BSE Listing Centre

Scrip Code: 500477

Dear Sir/Madam,

Submission of Annual Report for the year 2022-23

The Seventy Fourth Annual General Meeting (AGM) of the Company is scheduled to be held through Video Conferencing ("**VC**")/ Other Audio-Visual Means ("**OAVM")** on **Friday, July 21, 2023** at **2.45 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 2022-23 along with AGM Notice sent to the shareholders.

Kindly take the above on record.

Thanking you,

Yours faithfully,
for Ashok Leyland Limited

NATARAJAN RAMANATHAN

Digitally signed by NATARAJAN RAMANATHAN
DN: c=IN, o=Personal,
pseudonym=76Ay9IaKzUopoDjMdQaYLKTIH8UEFDer,
2.5.4.20=22ebdb00708268080062bd623ed12444603631a4a2c6396a6569847037804046, postalCode=600061, st=Tamil Nadu,
serialNumber=e6c7e692a309c6eac78562d9913f554c20235b2382a57b04952b55db37396323, cn=NATARAJAN RAMANATHAN
Date: 2023.06.28 15:10:16 +05'30'

N Ramanathan
Company Secretary

Encl.: a/a

Registered Office: Ashok Leyland Limited, No. 1, Sardar Patel Road, Guindy, Chennai - 600032, **Tel.:** 91 44 2220 6000
E-mail: reachus@ashokleyland.com | **Website:** www.ashokleyland.com
CIN: L34101TN1948PLC000105

HINDUJA GROUP

ASHOK LEYLAND
Koi Manzil Door Nahin

75 YEARS
KOI MANZIL DOOR NAHIN

75 YEARS OF TURNING DREAMS INTO REALITY

ANNUAL REPORT FY 2022 - 2023

Driving towards a greener future

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.

* * * * *

Over the last 75 years we have been at the forefront of technology, innovating and achieving dreams that we thought were impossible at one time. Looking forward, the future of mobility is going to be nothing like what we have seen. At Ashok Leyland, we have set our focus and we are on the path to a more sustainable future. Our alternate fuel vehicles that were showcased at Auto Expo 2023 are a positive step in that direction and an indication of what the future of mobility will be. We are confident that we will deliver world class products that are sustainable and future forward.

CHAIRMAN'S MESSAGE

Dear Shareholders,

I have great pleasure in informing you that your Company has achieved excellent results last year. Considering the uncertain industry outlook which loomed at the beginning of the year, the performance truly exemplifies the immense resilience Ashok Leyland possesses in braving the odds and emerging successfully. I would like to, on your behalf, congratulate and thank the entire team in Ashok Leyland and its wider ecosystem for their conscientious efforts to make it possible.

Reflecting on our endeavour last year, it can be noted that our journey has not been an easy one. There was volatility in commodity prices which pushed up costs, that could not be fully recovered in pricing due to unprecedented competitive pressures. Due to a combination of economic factors, the commercial vehicle industry had yet to gather momentum in the latter part of FY22 and the residual effect remained well into the initial period of FY23. Amid this turmoil, which had an impact on our market share and profitability, Ashok Leyland team quickly rejigged its product-market efforts, revamped the customer orientation and was able to realise the high aspirations that were set. While stability in the market from the second half of the year buoyed up the sentiment to an extent, our key success factors were superior product performance, clinical efforts in cost reduction and above all the "can do – will do" attitude of the Ashok Leyland team.

To enumerate some of the high points across business units,

❖ We sold 114,247 Medium and Heavy commercial vehicles in the domestic market comprising 10,767 buses and 103,480 trucks including Defence vehicles, registering a growth of 75.5% and posting a market share increase of approximately 5% over the previous year, closing at 31.8%. It is gratifying that we have gained share in every region and in almost all the product sub-segments, attributable to the superior performance of AVTR models, focused network development and additional thrust given on customer centricity.

❖ Our used vehicle business – ReAL- made good progress during the year as was expected.

❖ In the Light vehicle segment, with sales of 66,669 vehicles, the growth was 27.7% over the previous year. The Bada Dost range posted its highest ever sales volume since introduction and was awarded 'Pick up of the Year' and a special edition model was awarded the 'Marketing campaign of the year' by ET Now and World Leadership Congress.

❖ Despite difficult market situation in target countries which faced issues of currency depreciation and forex availability, International Operations could achieve a growth of 2% year over year. We expanded the reach by adding distributors in 12 countries and launched 5 new products and their variants.

❖ Power Solutions and Aftermarket businesses had clocked a growth of 9% and 31% respectively in FY23.

❖ Backing this spectacular market performance, the Operations team kept pace with the highest ever LCV production and the highest monthly overall vehicles production along with the highest ever material cost savings.

All these helped us achieve an all-time high revenue of ₹ 36,144 Crores with a 67% growth over previous year along with nearly 3 times growth in EBITDA – from ₹ 995 Crores in FY22 to ₹ 2,931 Crores, operating profit grew by 120 times and a cash surplus of ₹ 243 Crores at the end of FY23.

On the product and technology front, which is our passion, we are making good progress in alternate propulsion development. At the Auto Expo held in Delhi in January this year, a wide range of alternate fuel driven products were displayed across our LCV, ICV and MDV platforms. This covered CNG, LNG, Hydrogen, Fuel Cell and Battery Electric options. Switch Mobility, through which we are positioning the electric vehicles, has gained considerable momentum in FY23 and has already made a mark in the industry. The electric LCV is slated for introduction later this year.

Recognising the importance of building a talent pipeline in an environment of homogenous culture, our HR team was on an overdrive launching several initiatives and cascading them across the board. These initiatives include defining the organisation purpose as "Transforming Lives & Businesses through Leadership in Mobility" and driving a new culture throughout the organisation. Preparing future leaders saw the introduction of a new AL-Young Talent Program and the AL-Emerging Leaders Program. Another significant milestone in our gender diversity pathway is the establishing of an all women-run engine assembly line in our Hosur plant.

I would like to take this opportunity to present some of the key initiatives in other areas that are relevant to our business. Our plants have won 13 CII-Environment, Health, and Safety Excellence Awards. Use of renewable solar power is at the top of the agenda. Renewable energy now constitutes 57% of our total requirement. Furthermore, your Company believes sustainability is key to its overall strategy and is consciously moving from compliance to competitiveness in the overall ESG approach. And as part of a holistic approach to sustainability, your Company has developed an ESG vision: "To create and lead sustainable practices, across Environment, Social and Governance initiatives, delivering outstanding stakeholder value." This vision has been further operationalized into 10 Focus areas deep diving individually in E, S, and G areas. Moving forward, your Company is also preparing for some major commitments around becoming carbon-neutral in its operations in the medium term and becoming Net Zero in the long term.

CHAIRMAN'S MESSAGE

Under CSR, our Road To School programme (RTS) is making strides and the coverage has increased from 98,000 to over 150,000 children. During the year, the RTS initiative has been extended to J&K and Assam and is gaining ground gradually. RTS has also received awards from the Tamil Nadu Government, ASSOCHAM, FICCI and SIAM. The Road to Livelihood programme, which was introduced this year for Classes 9-12 has been well received by parents and the community. Your Company is determined to expand this further, not just impacting a greater number of students but also widening its reach to many more states.

You may recall we had a tagline Aap Ki Jeet Hamari Jeet for about 10 years. It symbolized a mission and a role for us as relevant then. With the changed business dynamics and our heightened self-belief together with our aspirational vision, Ashok Leyland management felt that the tag line needs to be renewed and be reflective of our current outlook. Also, this is our 75th year Anniversary and an occasion befitting a suitable tagline that galvanises the organisation towards a limitless horizon. On that basis, Koi Manzil Door Nahin (No Dream too far) has been chosen, which will guide and power all our strategies and actions from now on.

Moving on, it is reasonably expected that in FY24, the demand is expected to exceed pre-COVID levels of 2018-19. Government infrastructure spending, strong replacement demand and a healthy traction from core industries like steel, cement and mining are expected to drive growth. You will be pleased to note that your Company is fully prepared to take advantage of the anticipated opportunities without compromising on market share and profitability targets.

As we move forward in our aspirations positively, I would like to gratefully acknowledge your continued trust and faith in us and would like to assure you of progressive growth in shareholder value year after year.

Yours sincerely,

Dheeraj G Hinduja
Chairman

13 June 2023

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dheeraj G Hinduja, Executive Chairman
Prof. Dr. Andreas H Biagosch
Dr. C Bhaktavatsala Rao
Jean Brunol
Jose Maria Alapont
Manisha Girotra
Sanjay K Asher
Saugata Gupta
Shom Ashok Hinduja
Shenu Agarwal, Managing Director & Chief Executive Officer
(appointed w.e.f. December 8, 2022)
Gopal Mahadevan, Whole-time Director and Chief Financial Officer
Dr. Andrew C Palmer
(resigned w.e.f. November 3, 2022)

COMPANY SECRETARY

N Ramanathan

SENIOR MANAGEMENT

Dr. N Saravanan
S Ganesh Mani
Raja Radhakrishnan
Amandeep Singh
Sanjeev Kumar
Sanjay Saraswat
K Ramkumar
Alok Verma
Mahesh Thakar

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), Vellivoyalchavadi (Technical Centre) and Hosur, Maharashtra - Bhandara, Rajasthan - Alwar, Uttarakhand – Pantnagar, 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

CONTENTS

A HISTORICAL PERSPECTIVE OF THE COMPANY

₹ Crores

Particulars	2013-14	2014-15
Sales Volume		
Vehicles (numbers)	89,337	1,04,902
Engines (numbers)	17,441	14,023
Spare parts and others	1,213	1,392
Revenue (Gross sales)	10,561	14,486
Profit before tax	(91)	442
Profit after tax	29	335
Assets		
Fixed assets	5,841	5,376
Non-Current Investments	2,405	2,240
Long term loans and advances	1,002	983
Other non-current assets	33	20
Non-Current Assets	**9,281**	**8,619**
Current Investments	384	408
Inventories	1,189	1,398
Trade Receivables	1,299	1,243
Cash and Bank balances	12	751
Short Term loans and Advances	472	564
Other current assets	171	328
Current assets	**3,527**	**4,692**
Total	**12,808**	**13,311**
Financed by		
Share capital	266	285
Reserves and surplus	4,182	4,834
Shareholders funds	**4,448**	**5,119**
Long term borrowings	3,297	2,566
Deferred tax liability - Net	407	510
Long-term provisions and Liabilities	70	99
Non-current liabilities	**3,774**	**3,175**
Short-term borrowings	587	25
Trade payables	2,214	2,828
Other current liabilities	1,697	1,908
Short-term provisions	88	256
Current liabilities	**4,586**	**5,017**
Total	**12,808**	**13,311**
Basic Earnings Per Share (₹)	0.11	1.20
Dividend per share (₹) (Face value ₹ 1 each)	-	0.45
Employees (numbers)	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	2022-23
Sales Volume								
Vehicles (numbers)	1,40,457	1,45,066	1,74,873	1,97,366	1,25,200	1,00,725	1,28,326	1,92,205
Engines (numbers)	15,551	16,491	18,751	21,859	20,359	23,923	20,944	22,925
Spare parts and others	1,273	1,694	1,950	1,880	1,766	1,703	2,033	2,578
Revenue (Gross sales)	**19,993**	**21,453**	**26,633**	**29,055**	**17,467**	**15,301**	**21,688**	**36,144**
Profit before tax	**827**	**1,330**	**2,386**	**2,497**	**362**	**(412)**	**528**	**2,110**
Profit after tax	**390**	**1,223**	**1,718**	**1,983**	**240**	**(314)**	**542**	**1,380**
Assets								
Property, Plant and Equipment, CWIP, Right-of-use asset, Goodwill - Intangible assets and IAUD	4,868	5,177	5,971	6,272	7,398	7,422	6,795	6,437
Investments	1,980	2,002	2,451	2,637	2,720	3,069	3,522	3,892
Trade Receivables#	-	-	-	-	1	-	-	1
Loans and Other Financial assets	135	182	60	73	102	58	69	97
Income tax asset and other non-current assets	610	579	791	1,056	746	450	441	461
Non-Current Assets	**7,593**	**7,940**	**9,273**	**10,038**	**10,967**	**10,999**	**10,827**	**10,888**
Inventories	1,625	2,631	1,758	2,685	1,238	2,142	2,075	2,775
Investments	-	877	3,155	-	-	-	1,298	2,771
Trade Receivables	1,251	1,064	945	2,505	1,188	2,816	3,096	4,062
Cash and Bank balances	1,593	912	1,042	1,374	1,322	823	1,047	501
Loans and Other Financial assets	196	211	414	487	926	829	996	582
Other current assets (including Contract assets)	516	282	749	1,135	749	841	931	941
Current assets	**5,181**	**5,977**	**8,063**	**8,186**	**5,423**	**7,451**	**9,443**	**11,632**
Assets classified as held for sale	-	123	-	-	-	-	64	72
Total	**12,774**	**14,040**	**17,336**	**18,224**	**16,390**	**18,450**	**20,334**	**22,592**
Financed by								
Equity Share capital	285	285	293	294	294	294	294	294
Other Equity	5,123	5,841	6,953	8,039	6,970	6,683	7,043	8,132
Equity	**5,408**	**6,126**	**7,246**	**8,333**	**7,264**	**6,977**	**7,337**	**8,426**
Borrowings, Lease liabilities and other financial liabilities	1,995	1,194	514	333	1,431	2,625	2,914	1,820
Deferred tax liability - Net	329	127	298	249	265	171	144	504
Other Non-current liabilities and provisions (including Contract liabilities)	152	172	459	520	431	403	391	769
Non-current liabilities	**2,476**	**1,493**	**1,271**	**1,102**	**2,127**	**3,199**	**3,449**	**3,093**
Borrowings, Lease liabilities and other financial liabilities	1,517	2,172	1,894	1,700	2,651	1,951	1,369	2,367
Trade payables	2,563	3,117	4,888	5,019	3,037	5,165	6,875	7,175
Other current liabilities and provisions (incl.Current Tax liabilities-net and Contract liabilities)	810	1,132	2,037	2,070	1,310	1,158	1,292	1,520
Current liabilities	**4,890**	**6,421**	**8,819**	**8,789**	**6,999**	**8,274**	**9,536**	**11,062**
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-	12	11
Total	**12,774**	**14,040**	**17,336**	**18,224**	**16,390**	**18,450**	**20,334**	**22,592**
Basic Earnings Per Share (₹)	1.37	4.24	5.87	6.76	0.82	(1.07)	1.85	4.70
Dividend per share (₹) (Face value ₹ 1 each)	0.95	1.56	2.43	3.10	0.50@	0.60	1.00	2.60$
Employees (numbers)	10,352	11,906	11,865	12,133	11,463	10,758	10,101	9,603

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.

$ Proposed Dividend

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Seventy Fourth Annual General Meeting (AGM) of Ashok Leyland Limited will be held on Friday, July 21, 2023 at 2.45 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, 2023, 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, 2023 together with the Report of Auditors thereon.

2. To declare a dividend for the financial year ended March 31, 2023.

3. To appoint a Director in place of Mr. Gopal Mahadevan (DIN: 01746102) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

   "**RESOLVED** that pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the remuneration payable to Messers. Geeyes & Co., Cost & Management Accountants, (Firm Registration No. 000044), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year ended March 31, 2023, 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."

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

   "**RESOLVED** that pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], 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 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 2024-25, for an aggregate value which would be in excess of ₹ 1,000 Crores or 10% of the annual consolidated turnover as per the Company's last audited financial statements, whichever is lower, on such terms and conditions as may be decided by the Board of Directors/Audit Committee from time to time, provided that the said contract(s)/arrangement(s)/ transaction(s) shall be carried out at arm's length basis and are in the ordinary course of business of the Company."

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

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

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

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

   "**RESOLVED** that pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], 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 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 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 in the ordinary course of business of the Company."

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

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

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

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

"**RESOLVED** that pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 read with the relevant Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the consent of the Members be and is hereby accorded to amend the Articles of Association of the Company by inserting the following Article 137A after the existing Article 137."

137A. In the event of any default as stated in Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended from time to time), the debenture trustee(s) may exercise the right and power to appoint a person to be a Director of the Company liable to retire by rotation. Any person(s) so appointed, may at any time, be removed by such debenture trustee(s) and any such appointment or removal shall be in writing, signed by such debenture trustee(s) and served on the Company.

By Order of the Board

Chennai
May 23, 2023

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 ₹ 2.60/- per share has been recommended by the Board of Directors for the year ended March 31, 2023, subject to approval of shareholders. Dividend, if approved at the Annual General Meeting (AGM), shall be paid on or before August 19, 2023. The Company has fixed Friday, July 7, 2023 as the Record Date for determining entitlement of Members to the dividend for the financial year ended March 31, 2023, if approved at the AGM.

2. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, July 8, 2023 to Friday, July 21, 2023 (both days inclusive) for the purpose of ensuing AGM of the Company and payment of dividend.

3. The Ministry of Corporate Affairs ('MCA') has vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020 read with circular dated December 28, 2022 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC/OAVM.

4. The relevant Explanatory Statement pursuant to Section 102 of the Act, setting out material facts in respect of businesses under item nos. 4 to 7 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 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'). Further, shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more are also liable to be transferred to the IEPF Authority. In view of this, Members/claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The Members/claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

8. In compliance with the MCA Circulars and SEBI Circular dated January 5, 2023, Notice of the AGM along with the Annual Report for the FY 2022-23 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 2022-23 is also available on the Company's website www.ashokleyland.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL – www.evoting.nsdl.com.

NOTICE TO SHAREHOLDERS

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 14, 2023 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 for inspection from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to secretarial@ashokleyland.com.

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 (together called 'KYC'), power of attorney, etc., to their Depository Participant(s), in case shares are held by them in electronic form and to Integrated Registry Management Services Private Limited ('RTA'), 'Kences Towers', 2nd Floor, No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017, in case shares are held by them in physical form.

    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.

    Members are requested to note that in line with SEBI Circular dated March 16, 2023, RTA will accept only operative PAN (those linked with Aadhar) with effect from June 30, 2023 or such other date as may be notified by Central Board of Direct Taxes (CBDT). Those folios in which PAN is not linked with Aadhar subsequent to the due date, shall be frozen by the RTA.

    Further, in line with this circular, RTAs are required to freeze folios wherein PAN, KYC and nomination is not available on or after October 1, 2023. Any service request in respect of these frozen folios will be undertaken only after the complete details are lodged with the RTA.

    Members may note that with effect from April 1, 2024, the Company will not be able to pay dividend, in respect of frozen folios until the complete details as required including bank account details are furnished to the RTA. Further, from December 31, 2025 or such due date as may be notified by the Authority, the RTA is required to refer the details of the frozen folios to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

    Considering the aforementioned restrictions, Members whose details are not updated with the RTA are urged to immediately register their details with the RTA in Form ISR-1. Any clarifications in this regard may be addressed to the RTA at csdstd@integratedindia.in.

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

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

15. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM, i.e., Friday, July 21, 2023.

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 Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of the SEBI Listing Regulations, the Company is providing the 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 14, 2023. The remote e-voting period commences on Tuesday, July 18, 2023 at 9.00 a.m. IST and ends on Thursday, July 20, 2023 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 14, 2023 shall be entitled to avail the facility of remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 14, 2023.

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

Step 1: Access to NSDL e-voting system

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

Step 1: Access to NSDL e-voting system

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	I. NSDL IDeAS facility: i. In case you are registered with NSDL IDeAS facility, then – a. Please visit https://eservices.nsdl.com either on a personal computer or on a mobile phone. b. The e-Services home page is displayed. On the e-Services home page, click on the '**Beneficial Owner**' icon under '**Login**' 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' 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

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) login through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. 2. Once logged in, you will be able to see e-voting option. Once you click on the e-voting option, you will be redirected to NSDL/CDSL depository site after successful authentication, wherein you can see e-voting feature. 3. Click on the options available against company name or e-voting service provider - NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

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

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

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

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

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

5. Your User ID details are given below:

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

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

   a. If you are already registered for e-voting, then you can use 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. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

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

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

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

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

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

GENERAL GUIDELINES FOR MEMBERS

1. Institutional/Corporate Shareholders (i.e., other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG format) of its Board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution/authorisation shall be sent to the Scrutinizer by e-mail their registered e-mail address to scrutiniserbc@gmail.com with a copy marked to evoting@nsdl.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 on help desk: 022-48867000 & 022-24997000 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 ON THE RESOLUTIONS SET OUT IN THIS NOTICE:

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

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

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

4. Alternatively, Members may send a request to evoting@nsdl.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.

NOTICE TO SHAREHOLDERS

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

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

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

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

4. Members who would like to express their views or ask questions during the AGM need to pre-register themselves as a Speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at secretarial@ashokleyland.com from July 11, 2023 (9:00 a.m. IST) to July 12, 2023 (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 14, 2023, 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 14, 2023, may follow the steps mentioned in the e-voting instructions.

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

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

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

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

NOTICE TO SHAREHOLDERS

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 under the provisions of the Income Tax Act, 1961. The rate at which the dividend is subject to withholding tax would vary depending on the residential status of the shareholders and the documents submitted by them and accepted by the Company. We request all the Shareholders to take note of the applicable TDS rates, as tabulated below and provide the documents to the Company, as applicable to them. 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).

Category of Shareholders	**Tax Rate**	**Exemption Applicability/ Documentation Requirement**
Any resident shareholder	10%	– Update the valid PAN if not already done with depositories (in case of shares held in DEMAT mode) and with the Company's RTA (in case of shares held in physical mode). In case details are already updated, the same need not be provided. – No taxes will be deducted in the following cases: ✓ If dividend income to the resident individual shareholder during FY 2023-24 does not exceed ₹ 5,000 ✓ If the Shareholder is exempted from TDS provisions through any circular(s) or notification(s) and provides an attested copy of the PAN along with documentary evidence in relation to the same ✓ Furnishing of validly filled and signed Form 15G (for individuals, with no tax liability on total income and income not exceeding the maximum amount which is not chargeable to tax) or Form 15H (for individuals above the age of 60 years with no tax liability on the total income) – provided that all prescribed eligibility conditions are met. *Note - All fields are mandatory to be filled up and Company may at its sole discretion reject the form if it does not fulfil the requirement of law*
Mutual Funds specified under clause (23D) of section 10 of the Act	Nil	– For SEBI registered mutual funds, TDS would not be applied [NIL TDS]. – Declaration **(Annexure 1)** to be provided along with self-attested copy of PAN Card and Registration certificate containing the SEBI registration number duly updated in the demat account. – Mutual Fund List of Folio numbers / accounts mapped to PAN
Insurance Companies	Nil	– No TDS would be applied for the dividend payable on the shares held by ✓ Life Insurance Corporation of India, the General Insurance Corporation of India, the National Insurance Company Limited, the New India Assurance Company Limited, the Oriental Insurance Company Limited and the United India Insurance Company Limited. ✓ IRDA registered insurance companies, if Declaration **(Annexure 1)** is provided along with self-attested copy of PAN card and IRDA registration number which is duly updated in the demat account.
Category I and II AIF	Nil	– Declaration **(Annexure 1)** that income of the AIF is exempt under section 10(23FBA) of the Act as it has been granted a certificate of registration as a Category I or Category II AIF under the SEBI (AIF) Regulations, 2012 – Self-attested copy of PAN and valid SEBI registration certificate – Reference is drawn to Circular No. 18/2017 dated 29 May 2017 issued by the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes as regards requirement of tax deduction at source in case of entities whose income is exempt under section 10 of the Act
Recognised Provident Fund / Approved Superannuation Fund / Approved Gratuity Fund	Nil	– No TDS is required to be deducted as per Circular No.18/2017 dated 29 May 2017, issued by the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes as regards requirement of tax deduction at source in case of entities whose income is exempt under section 10 of the Act subject to specified conditions. – Self-attested copy of a valid order from Commissioner under Rule 3 of Part A or Rule 2 of Part B or Rule 2 of Part C of Fourth Schedule to the Act, or self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.)
National Pension Scheme	Nil	No TDS is required to be deducted as per Section 197A(1E) of the Act. A Self- declaration **(Annexure 1)** stating that the NPS is exempt under Section 10 (44) is required.
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	Nil	– Declaration **(Annexure 1)** that it is a corporation established by or under a Central Act whereby income- tax is exempt on the income and accordingly, covered under section 196 of the Act – Self-attested copy of PAN, registration certificate and relevant extract of the section whereby the income is exempt from tax

Category of Shareholders	Tax Rate	Exemption Applicability/ Documentation Requirement
Government (Central/ State)/ RBI	Nil	– No TDS is required to be deducted as per Section 196(i) & (ii) of the Act
Any other entity entitled to exemption from TDS	Nil	Declaration of the nature of entity **(Annexure 1)** and Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to TDS exemption
Resident shareholder having lower / nil withholding Order under section 197 of the Act	Rate provided as per Order	Copy of PAN card Lower/ Nil withholding tax certificate obtained from the Income-tax Authorities Declaration **(Annexure 2)** for Sikkimese resident shareholder covered u/s 10(26AAA) of the Act
Other resident shareholders without registration of PAN or Inoperative PAN (Upon failure to link PAN-Aadhaar as per section 139AA r.w. Circular No 3 of 2023) or having Invalid PAN or a person who is considered as specified person u/s 206AB	20% without threshold limit	Update valid PAN if not already done with depositaries (in case of shares held in Demat mode) and with the Company's Registrar and Transfer Agent (in case of shares held in physical mode).

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:

Category of Shareholders	Tax Rate	Exemption Applicability/ Documentation Requirement
Any non-resident shareholders, FPIs, FIIs [Who are not 'Specified Persons' as referred / covered by provisions of section 206AB of the Act]	20% (plus applicable surcharge and cess) or Tax Treaty rate, whichever is lower	Non-resident shareholders may opt for tax rate under the Double Taxation Avoidance Agreement ('Tax Treaty'). The Tax Treaty rate may be applied for tax deduction at source on dividend declared by the Company subject to submission of the following documentation: – Self-attested copy of PAN Card, if any, allotted by the Indian authorities. In a case where no PAN has been allotted, requisite information as per Rule 37BC **(Annexure 8)** of the Income-tax Rules, 1962 shall be furnished. – Self-attested copy of Tax Residency Certificate **['TRC']**, evidencing and certifying shareholder's tax residential status during the Financial Year 2023-24 or calendar year 2023 valid as on the AGM date, obtained from the tax authorities of the country of which the shareholder is a resident – Form 10F electronically submitted and downloaded from the Income Tax Portal (www.incometax.gov.in) if PAN is available. In case, PAN is not available, self-declaration in Form 10F for FY 2023-24 – Self-declaration in prescribed format **(Annexure 3 for FII, FPI)** **(Annexure 9 for other non-resident shareholders)** containing the following clauses along with adequate documentary evidence substantiating the nature of the entity and eligibility to avail treaty benefits: ● The Shareholder does not have a taxable presence or a permanent establishment in India or a place of effective management in India during the FY 2023-24 ● The transaction/ arrangement/ investments from which the dividend is derived by the shareholder is not arranged in a manner, as one of its principal purposes whether directly or indirectly, to result in obtaining a tax benefit. The tax benefit, if any, derived from such transaction/arrangement /investments would be in accordance with the object and purpose of the provisions of the relevant Tax Treaty ('the Principle Purpose Test', if applicable to the respective Tax Treaty); ● The shareholder is the beneficial owner of its shareholding in the Company and dividend receivable from the Company ● The shareholder has no reason to believe that its claim for the benefits of the Tax Treaty is impaired in any manner; *(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).*

NOTICE TO SHAREHOLDERS

Category of Shareholders	Tax Rate	Exemption Applicability/ Documentation Requirement
Any entity entitled to exemption from TDS	Nil	– Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by the Indian tax authorities) in support of the entity being entitled to exemption from TDS – Self-declaration substantiating the applicability of the section to the entity
Tax resident of any notified jurisdictional area	30% or rate specified in the relevant provision of the Act or at the rates in force, whichever is higher (plus applicable surcharge and cess)	– Where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under section 94A (1) of the Act, tax will be deducted at source @ 30% or at the rate specified in the relevant provision of the Act or at the rates in force, whichever is higher, from the dividend payable to such shareholder in accordance with Section 94A (5) of the Act
Sovereign Wealth Funds and Pension funds notified by Central Government u/s 10(23FE) of the Act	NIL	– Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the Act issued by the Government of India. – Self-Declaration **(Annexure 5 / Annexure 6)** that the conditions specified in section 10(23FE) have been complied with
Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the Act	NIL	– Self-Declaration **(Annexure 7)** substantiating the fulfilment of conditions prescribed under section 10(23FE) of the Act
Other non-resident shareholders having Order under section 197 of the Act	Rate provided in the Order	– Lower / Nil withholding tax certificate obtained from the income tax authorities

General:

Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, permanent account number (PAN), complete residential address, registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants.

Transferring credit to the beneficial owner - As per Rule 37BA, in the case where the dividend is received in the hands of one person but is assessable in the hands of other person, the tax may be deducted in the name of such other person if the first-mentioned person provides a declaration as prescribed in this regard. The aforesaid declaration shall contain (i) name, address, PAN, and residential status of the person to whom credit is to be given; (ii) payment in relation to which credit is to be given; and (iii) the reason for giving credit to such person etc. in the format provided in **Annexure 10 & 10A**. **We request you to provide any such details latest by July 12, 2023 at 5.00 PM and no request will be entertained for documentation received beyond the specified date and time.**

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, except for the declaration under Rule 37BA, shall be entertained beyond 5.00 p.m. on July 07, 2023.

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 ('the Act')

As required under Section 102 of the Act, the following Explanatory Statement sets out all material facts relating to the businesses mentioned under item nos. 4 to 7 of the accompanying notice.

Item No. 4

Pursuant to the provisions of Section 148 of the Act and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost accounting records of the applicable products of the Company. As per the said Rules, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. The Board of Directors of the Company at its meeting held on May 19, 2022 had considered and approved the appointment of Messers Geeyes & Co., Cost Accountants (Registration No. 000044) as the Cost Auditor of the Company for the financial year 2022-23 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 in item no. 4 for the approval/ratification of the Members.

Item No. 5

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

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

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

Considering the quantum of transactions with TVS Mobility during the previous years, the business projections for FY 2024-25 and the market trend, the Company expects that the aggregate value of transactions with TVS Mobility during the FY 2024-25 is estimated to be in the range of ₹ 9,000 Crores to ₹ 10,000 Crores. Hence, approval of the Members of the Company is sought by way of an Ordinary Resolution for the transactions with TVS Mobility, for the FY 2024-25.

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 22, 2023 and May 23, 2023 have recommended the Material Related Party Transactions with TVS Mobility for consideration and approval by the Members.

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

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

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

The Board recommends the resolution set forth in item no. 5 for the approval of the Members.

Item No. 6

Switch Mobility Automotive Limited (SWITCH) is a step-down subsidiary of the Company, manufacturing and dealing in Electric Vehicles.

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

NOTICE TO SHAREHOLDERS

Considering the operational and business requirements of SWITCH and the support required from the Company in the form of loan, Corporate Guarantee/Letter of Comfort/Letter of Support/Letter of Awareness, or whatever name called etc., the Company expects that the aggregate value of transactions between the Company and SWITCH during the FY 2023-24 will be in excess of ₹ 1,000 Crores and is estimated to be in the range of ₹ 4,000 Crores to ₹ 5,000 Crores. Hence, approval of the Members of the Company is sought by way of an Ordinary Resolution for the transactions with SWITCH for the FY 2023-24.

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

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

The Audit Committee and the Board of Directors at their respective meetings held on May 22, 2023 and May 23, 2023 have recommended the Material Related Party Transactions with SWITCH for consideration and approval by the Members.

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

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

Except for Mr. Dheeraj G Hinduja, Executive Chairman and Mr. Gopal Mahadevan, WTD & CFO (by virtue of being Directors in SWITCH), none of the Directors or Key Managerial Personnel of the Company and their relatives, is, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the resolution set forth in item no. 6 for the approval of the Members.

Item No. 7

SEBI vide notification dated February 2, 2023 has notified the SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 (hereinafter referred to as SEBI Amendment).

The amendments notified include the requirement for companies who have listed Non-Convertible Debentures, to specifically have a clause in its Articles of Association, enabling appointment of a person as a Director nominated by a Debenture Trustee **in case of default** of interest/principal/creation of security etc. Regulation 15(1)(e) of SEBI (Debenture Trustees) Regulations, 1993 applicable to Debenture Trustees, prescribes the duty of a Debenture Trustee to appoint a Nominee Director on the Board of the company in the event of default in payment of interest, creation of security for debentures or redemption of debentures.

The SEBI Amendment further states that an Issuer whose debt securities are listed as on February 2, 2023 (date of notification of this amendment) is required to amend its Articles of Association to comply with this provision, on or before September 30, 2023.

Since the Company has listed Non-Convertible Debentures, it is required to have the relevant clause in the Articles of Association. Accordingly, the Articles of Association of the Company is being amended by insertion of Article 137A in the following manner.

137A. In the event of any default as stated in Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended from time to time), the debenture trustee(s) may exercise the right and power to appoint a person to be a Director of the Company liable to retire by rotation. Any person(s) so appointed, may at any time, be removed by such debenture trustee(s) and any such appointment or removal shall be in writing, signed by such debenture trustee(s) and served on the Company.

Pursuant to Section 14 and other applicable provisions, if any, of the Act, approval of the Members of the Company is required for altering the Articles of Association of the Company through a Special Resolution.

The Board at its meeting held on May 23, 2023 has recommended the adoption of the amended Articles of Association. A copy of Articles of Association of the Company with the proposed alteration is available for inspection at the Registered Office of the Company at any working day during business hours and is also uploaded on the website of the Company www.ashokleyland.com.

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

The Board recommends the resolution set forth in item no. 7 for the approval of the Members.

By Order of the Board

Chennai
May 23,2023

N Ramanathan
Company Secretary

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

ANNEXURE TO THE NOTICE

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

Name of the Director	**Mr. Gopal Mahadevan**
Date of Birth and Age	May 20, 1966; 57 years
Date of Appointment	May 24, 2019
Qualifications	B.Com, FCA, ACS
Expertise in Specific functional areas	With over 34 years of experience across a spectrum of industries, Mr. Gopal Mahadevan has worked in Manufacturing, Internet Services, Financial Services, Chemical Industries and Project Companies. 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 IT Function. He is a Member of the Board of several subsidiaries and associate companies of Ashok Leyland Limited. Earlier to Ashok Leyland Limited, he was Chief Financial Officer at Thermax Ltd and Amara Raja Batteries Ltd. Mr. Gopal Mahadevan has worked in diverse roles in Sanmar Group and was General Manager M&A at Sify Ltd. In one of the earlier organisations, Mr. Gopal Mahadevan had also handled HR and Strategy as additional responsibilities. Mr. Gopal Mahadevan has received several awards and recognitions including from the Institute of Chartered Accountants of India.
Board Membership of other Companies as on date of the Notice	(i) Hinduja Tech Limited (ii) Hinduja Leyland Finance Limited (iii) Hinduja Housing Finance Limited (iv) Gro Digital Platforms Limited (v) Switch Mobility Automotive Limited (vi) Optare Plc, U.K. (vii) Lanka Ashok Leyland Limited
Chairmanship(s)/Membership(s) of Committees of other Companies as on date of the Notice	(1) Lanka Ashok Leyland Limited (a) Audit Committee (Member) (b) Related Party Transactions Review Committee (Member) (2) Hinduja Tech Limited (a) Audit Committee (Member) (3) Hinduja Leyland Finance Limited (a) Audit Committee (Member) (b) Credit Committee(Member) (c) Asset Liability Management Committee (Member) (d) Capital Raising Committee (Chairman) (e) Risk Management Committee (Member) (4) Optare Plc., U.K. (a) Audit Committee (Chairman) (5) Hinduja Housing Finance Limited (a) Nomination and Remuneration Committee (Member) (b) Audit Committee (Member) (c) Risk Management Committee (Chairman) (d) Corporate Social Responsibility Committee (Member) (6) Switch Mobility Automotive Limited (a) Allotment Committee (Member) (b) Audit Committee (Member) (7) Gro Digital Platforms Limited (a) Capital Raising Committee (Member) (b) Audit Committee (Member)
Number of shares held in the Company (self and as a beneficial owner)	20,620 equity shares
Remuneration proposed to be paid	Refer Corporate Governance Report
Remuneration last drawn	Refer Corporate Governance Report
Terms and conditions of appointment	Liable to retire by rotation and being eligible, Mr. Gopal Mahadevan is proposed to be re-appointed at the AGM.
Relationship with other Directors or KMP of the Company	Nil
Number of meetings of the Board attended	Refer Corporate Governance Report

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

NOTICE TO SHAREHOLDERS

DISCLOSURE PURSUANT TO SEBI CIRCULAR DATED NOVEMBER 22, 2021

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

Name of the Related Party	TVS Mobility Private Limited	Switch Mobility Automotive Limited (SWITCH)
Relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	TVS Mobility Private Limited is a Related Party under Section 2(76)(viii)(c) of the Act to Global TVS Bus Body Builders Limited (Company's Subsidiary) and hence transactions between the Company and TVS Mobility is a Related Party Transaction pursuant to regulation 2(zc) of SEBI Listing Regulations.	SWITCH is a step-down subsidiary of the Company.
Nature, material terms, particulars of the contract or arrangements; and monetary Value	Sale of vehicles/spares/reconditioned engines/ services, payment of incentives & commission, warranty, sales promotion etc. Transactions entered between the parties will exceed ₹ 1,000 Crore or 10% of the annual consolidated turnover as per the last audited financial statements, whichever is lower and is estimated to be in the range of ₹ 9,000 to ₹ 10,000 Crores for the FY 2024-25.	Sale and purchase of goods/vehicles/spares/ engines/materials/service/assets/technology, testing charges, Contract manufacturing, Resource sharing/IT Sharing /Tooling any other sharing, Rental Income, Fee for Corporate Guarantee, Trade Advance, Subcontracting, Short term advance loan, Inter-Corporate Deposit and Interest, providing guarantees, Letter of Support, Letter of comfort, Letter of undertaking or any other support, Reimbursement / Recovery of expenses, Royalty, investments directly or indirectly made and any other transactions for a value in excess of ₹ 1,000 Crores or 10% of the annual consolidated turnover as per the last audited financial statements, whichever is lower and is estimated to be in the range of ₹ 4,000 Crores to ₹ 5,000 Crores for FY 2023-24.
Tenure of the proposed transaction	One year (2024-25) and recurring in nature	One year (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 an RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	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.
The percentage of the subsidiary company's standalone turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction	Not applicable	In excess of 10% of the annual standalone turnover of the subsidiary as per the last audited financial statements.
Whether the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not applicable	The approval is sought for Related Party Transactions with SWITCH which also covers transactions relating to financial commitments in any form like Equity, Loans/ Advances, guarantees, etc. made directly or indirectly.
Details of the source of funds in connection with the proposed transaction	Not applicable	Through internal accruals.
a) where any financial indebtedness is incurred to make or give loans, inter corporate deposits, advances or investments - nature of indebtedness - cost of funds; and - tenure	Not applicable	Since the financial commitments would be undertaken through internal accruals, value of indebtedness, cost of funds and tenure is not applicable.
b) applicable terms including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured, if secured, the nature of security; and	Not applicable	The terms would be as mutually agreed between the parties. The interest/ fee charged thereon will be in line with the prevailing market rates at the time of issuance and on arm's length basis.

NOTICE TO SHAREHOLDERS

Name of the Related Party	TVS Mobility Private Limited	Switch Mobility Automotive Limited (SWITCH)
c) the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the related party transactions	Not applicable	Fund based support will be extended to cover capital expenditure (wherever applicable), operating expenditure, general corporate purposes 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.
Justification as to why the RPT is in the interest of the listed entity	TVS Mobility Private Limited is one of the prominent dealers of the Company on pan India basis and hence the transactions with TVS Mobility Private Limited are commercially beneficial and in the best interest of the Company.	SWITCH is in the technology intensive Electric Vehicle business and in its initial few years require support from the Company for its working capital and other business requirements. Further, in addition to the capital support, the Company shall also undertake transactions viz., purchase/sale of materials, availing/rendering of services, sharing of resources, providing loans, Corporate Guarantee, letter of support, letter of comfort etc., to enable SWITCH manage its business and raise resources at competitive costs. These transactions would support SWITCH in furthering its business interest of executing the orders in hand, will also enable the Company's electric mobility business initiative in the long run and help gain market share and foothold in the future strategy of the Company.
Valuation or any other external party report, if any such report has been relied upon	Not applicable	Not applicable
Name of Director (s) or Key managerial personnel who is related, if any	None	Mr. Dheeraj G Hinduja and Mr. Gopal Mahadevan are Directors on the Board of SWITCH.

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, 2023.

FINANCIAL RESULTS

(₹ in Crores)

	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	36,144.14	21,688.29	41,672.60	26,237.15
Other Income	116.14	76.13	110.77	86.81
Total Income	**36,260.28**	**21,764.42**	**41,783.37**	**26,323.96**
Profit/(Loss) before tax	**2,110.40**	**527.61**	**2,268.59**	**(199.59)**
Less: Tax expenses/(Credit)	730.29	(14.22)	906.93	85.86
Profit/(Loss) after tax	**1,380.11**	**541.83**	**1,361.66**	**(285.45)**
Balance profit from last year	3,798.94	3,459.91		
Profit available for appropriation	**5,179.05**	**4,001.74**		
Appropriation:				
Dividend paid during the year	(293.55)	(176.13)		
Transition adjustment and other adjustment				
Other Comprehensive (Loss)/Income arising from re-measurement of defined benefit plan (net of tax)	(10.36)	(26.67)		
Balance of profit carried to Balance sheet	**4,875.14**	**3,798.94**		
Earnings per share (Face value of ₹ 1/-)				
- Basic (₹)	4.70	1.85	4.23	(1.22)
- Diluted (₹)	4.70	1.84	4.22	(1.22)

COMPANY'S PERFORMANCE

In FY23, the Commercial Vehicle market (MHCV & LCV) in India further grew by 34.3% YoY in total industry volumes (TIV) after increasing by 26.0% in the previous year to 962,468 units from 716,566 units. This growth was led by 49.2% growth in M&HCV segment which grew to 359,003 units from 240,577 units. The LCV segment grew by 26.8% to 603,465 units from 475,989 units in FY22.The growth this year was led by M&HCV segment which grew faster while LCV segment grew by 26.8%. On the other hand, the exports was less by 14.8% over last year at 78,645 units from 92,297 units last year.

Your Company sold 114,247 M&HCVs in the domestic market (10,767 M&HCV Buses and 103,480 M&HCV Trucks including Defence vehicles), registering a growth of 75.5% over last year. LCV with sales of 66,669 vehicles grew by 27.7% over the previous year.

Your Company's sale in M&HCV Trucks segment (excluding Defence vehicles) in India grew by 68.6% to 102,753 units in FY23, as compared to 60,947 units in FY22. Your Company launched key products in MHCV – Trucks (Domestic) that include Ecomet Star 1815HE, the first-in-industry 2620 6X2 LA, Partner Super, 42T & 44T Tractors which helped AL consolidate market position in respective segments. Your Company's sale in M&HCV Bus segment (excluding Defence vehicles) in India grew significantly to 10,764 units in FY23, from 3,018 units in FY22 consequent to revival in bus demand. Your Company launched key products in MHCV – Bus (Domestic) that include 13.5M Intercity coach, Oyster ZX, Viking CNG, LS&LT CNG. Your Company launched 'ELITE' – Key Account Engagement Program for its MHCV customers while Digital Initiative 'LeyKart' partnered with India Post to service all pin-codes across India. The Aftermarket business showed a growth of 22.0% over last year. Your Company added 75 new outlets during the year, bringing the total count to 805 AL touch-points with continued focus on Northern and Eastern regions of India.

In LCV, your Company achieved highest ever sales of 66,617 vehicles registering a growth of 27.6% over last year with launches of two new products under the Bada Dost platform - Bada Dost i1 (2.5T) & Bada Dost i2 (2.8T). FY23 saw launch of several new initiatives like micro dealerships, rural marketing focus and support for used vehicles, all of which are aimed at further increasing market penetration. 23 new dealerships and 80 new secondary outlets were added taking the network coverage to a total of 617 outlets. In IO, your Company grew marginally by 2.5% to 11,289 units in FY23, as compared to 11,014 units in FY22. SAARC, which contributes to 56% of the sales, saw a 51% drop in TIV. Most African countries too faced severe headwinds in terms of currency depreciation and forex availability leading to severe cut in the import of CVs. On the other hand, GCC was the market that grew by 55% in TIV, boosted by increased infra spending backed by elevated crude oil prices and post-covid pent up demand for school buses.

Your Company has achieved sales of 22,925 engines in Power Solutions Business supported by new business development with corporates and equipment manufacturers. Your Company supplied 782 units of completely built-up units (CBUs) in the Defence segment. Some highlights include seeding BAGH variants in DGBR (Directorate General Border Roads); Supply of Superstallion 4x4 (RIV – Rapid Intervention Vehicle) to Indian Navy and delay in VFJ kits RFP due to MoD Policy change from direct indent to trade route.

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, the Nomination and Remuneration Committee (NRC) issued and allotted 6,00,000 equity shares of face value ₹ 1/- each upon exercise of stock options granted under Ashok Leyland Employees Stock Option Plan 2016.

Consequent to the above allotment, the paid-up equity share capital of the Company stands increased from ₹ 2,935,527,276/- divided into 2,935,527,276 equity shares of ₹ 1/- each to ₹ 2,936,127,276/- divided into 2,936,127,276 equity shares of ₹ 1/- each.

DIVIDEND

In line with the policy, your Directors have recommended a dividend of ₹ 2.60/- per equity share of face value of ₹ 1/- each for the financial year ended March 31, 2023 involving an outflow of ₹ 763.39 Crores.

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

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

Long term funding

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

During the year under review, no fresh NCDs were issued by your Company. No redemptions were made during the year.

(b) Rupee Term Loans:

No fresh rupee term loans were availed during the year. Your Company has repaid ₹ 137.50 Crores on due dates as per the repayment schedule and terms of the loan agreement.

(c) External Commercial Borrowings (ECBs):

During the year under review, your Company has not availed any fresh ECBs. Your Company has repaid ₹ 238.44 Crores on due dates as per the repayment schedule and terms of the loan agreement.

As at March 31, 2023, Long term borrowings stood at ₹ 2,913.47 Crores as against ₹ 3,245.25 Crores on March 31, 2022. Details pertaining to the credit rating of the debt instruments are provided in the Corporate Governance report.

HUMAN RESOURCES

We at Ashok Leyland pride ourselves of providing opportunities regardless of race, gender, ability and background. While our vision, mission and values form the bedrock on which our promise is built, it is our strong and positive culture that enables us to work towards that common goal. We continue to groom talent with the requisite competencies to empower them to perform their roles effectively, while we continue to drive diversity, inclusion and equity in our workplace.

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

- Defining the "The Ashok Leyland Way" and the purpose of "Transforming Lives & Businesses through Leadership in Mobility". This was cascaded to executives in the organization through selected Culture Champions, who were trained on 'The Ashok Leyland Way'- Purpose, Culture and Values workshop. This was further reinforced through a sustained 'internal' communication campaigns.
- AL-Young Talent Program (AL-YTP) & AL-Emerging Leaders Program (AL-ELP) was launched. Executives were selected through a rigorous three stage assessment process and are undergoing a 12-month development journey. Learning journey includes business critical projects, peer learning, outbound – experiential learning, leadership interactions.
- Building future ready talent through channelized Learning & development was undertaken. Learning Sprint launched for cultivating a culture of learning through quarterly learning weeks with talk shows by leaders, team-based learning events, gamified simulations and new Learning experience platform by Disprz .
- Nurtured an environment of Recognition and appreciation through dedicated platforms for recognition like Functional excellence awards, Chairman Award, Improve, Long Service Awards etc.
- Targeted sessions on Health & Wellness like Yoga Sessions, Session on Autism, Health check-ups, Doctors talks, Mindfulness & Meditation, Diabetes care and Cancer awareness were conducted.
- Long term settlement signed in Bhandara Unit, covering 372 associates, with specific clauses focusing on flexibility in operations, Quality, Safety, Total employee involvement etc., linked with variable payment for Associates.
- Bonus / Ex-gratia for FY22 concluded and memorandum of understanding was signed covering 8 manufacturing plants.

EMPLOYEE HEALTH & SAFETY (EHS)

Your Company is committed to enhancing the EHS process maturity continuously to embrace it as the culture of Ashok Leyland. All manufacturing plants were assessed by CII on EHS process maturity which laid a foundation for learning and securing 13 CII EHS awards (3 – Gold, 4 – Silver, 2 – Bronze & 4 – special category) as part of the EHS excellence. Through participation in various forums, your Company continues to re-evaluate and assess its performance to reach the next level. Your Company initiated a organisation-wide cross functional initiative "Manthan" aimed at Operational Excellence. Under this initiative your Company implemented strategies and programs to build safety culture across AL. This has aided in reducing the risks and incidents of personnel injuries.

Towards seamless execution of the EHS system and driving best EHS practices across Ashok Leyland, 'Corporate EHS Function' has been formed. As part of setting up benchmark safety standards, your Company identified the Foundry Sriperumbudur plant as a model plant and rigorous actions are in progress with the commitment across all levels from workman to senior-most executive.

Your Company has instituted rigorous monitoring and review mechanism of EHS performance through the EHS council meetings (inclusive of a Board member) on a monthly basis. Health & Safety is monitored through tracking of leading and lagging indicators.

CORPORATE GOVERNANCE

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

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

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Your Company is committed to climate change targets and in this endeavor, was one of the first auto companies to institute an ESG Committee at the Board level to drive ESG initiatives right at the strategic level.

As part of a holistic approach to sustainability, your Company has developed an ESG vision: "To create and lead sustainable practices, across Environment, Social and Governance initiatives, delivering outstanding stakeholder value." This vision has been further operationalized to 10 Focus areas deep diving individually in E, S, and G areas. Focus areas have been chosen based on a detailed baselining and benchmarking exercise. Your Company believes sustainability is key to its overall strategy and moving from compliance to competitiveness in the overall ESG approach.

Your Company strives to bring technologically innovative and operationally efficient commercial vehicles and products to our customers and as part of that, took a major stride in developing technology on alternate fuels such as CNG, Biofuel, and Hydrogen. As part of a special global EV-only organization Switch Mobility focuses to democratize green mobility and towards zero carbon mobility.

It is equally clear that your Company meets the demand for these efficient products through efficient manufacturing operations that are environmentally more sustainable and socially responsible. Our ambition is to be at the forefront and lead this through improving our energy productivity, increasing our renewable energy share, reducing scope 1 and scope 2 Greenhouse gas emissions, water productivity, resource efficiency, biodiversity, ergonomic practices, and conformance to global safety standards. We aspire to extend this across our value chain of suppliers, dealers, and customers and reduce our overall Scope 3 emissions in the long term.

As part of CSR, the community development initiative of Ashok Leyland's "Road to School" focuses on education, health, hygiene, nutrition, and facilities development in government schools that are situated in and around our facilities. The vision of the Road to School program is to "provide holistic development opportunities focused on quality and inclusion leading to education as a social leveler". As of end FY23, our "Road To School" program had covered 1,373 schools and benefitted 150,786 students across 5 Indian states.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

CONSOLIDATED FINANCIAL STATEMENTS

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

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has 35 Subsidiaries, 6 Associates and 3 Joint Ventures as on March 31, 2023. Hinduja Leyland Finance Limited ("HLFL") is a material unlisted subsidiary of the Company.

During the year under review, the Board of Directors of HLFL have approved the Scheme of Merger by absorption of HLFL into NXTDIGITAL Limited, subject to the receipt of approvals from statutory and regulatory authorities, respective shareholders and creditors at a share exchange ratio of Twenty-five equity shares of face value of ₹ 10/- each of NXTDIGITAL for every Ten equity shares of face value of ₹ 10/- each held in HLFL. The merger is under progress and the updates on the same would be intimated to the Stock Exchanges, as required under the SEBI Listing Regulations.

During the year, HLFL allotted equity shares to Qualified Institutional Buyers on preferential basis. Consequently, the Company's shareholding in HLFL has decreased from 68.80% to 60.42%.

During the year under review, Hinduja Tech Limited (HTL), a subsidiary of the Company, acquired Drive System Design Limited (DSD), an award-winning and globally trusted engineering consultancy known for developing innovative solutions for electrified propulsion systems.

During the year, HTL allotted equity shares to Hinduja Automotive Limited, U.K. on preferential basis. Consequently, the Company's shareholding in HTL decreased from 98.76% to 74.25%. As at March 31, 2023, the Company's shareholding in HTL stands at 73.83%.

The Company had also invested an amount of ₹ 16.42 Crores in equity shares of Ashley Aviation Limited (AAL), a wholly-owned subsidiary. Further, during the year, AAL had redeemed preference shares of ₹ 5.80 Crores issued to the Company. The Company had also invested ₹ 3.40 Crores in the equity shares of Vishwa Buses and Coaches Limited, a wholly-owned subsidiary.

During 2021-22, the Company transferred its Electric Vehicle business to Switch Mobility Automotive Limited (SMAL), step-down subsidiary of the Company on slump sale basis through a Business Transfer Agreement. In March 2023, SMAL has settled the dues under the Business Transfer Agreement including the slump sale consideration and the interest accrued thereon aggregating to ₹ 301 Crores through issuance of 3,01,00,000 8.5% Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 100/- each.

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/2/2023/05/Material-Subsidary-Policy.pdf#toolbar=0

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the Board of Directors at their meeting held on December 8, 2022 had appointed Mr. Shenu Agarwal (DIN: 03485730) as the Managing Director and Chief Executive Officer of the Company for a period of 5 years with effect from December 8, 2022 to December 7, 2027, which was approved by the Members through Postal Ballot on January 21, 2023.

Dr. Andrew C Palmer, Non-Executive Non-Independent Director of the Company resigned from the Board with effect from November 3, 2022. 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.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and they have registered their names in the Independent Directors' Databank. Further, there has been no change in the circumstances which may affect their status as Independent Director during the year. The terms and conditions of appointment of the Independent Directors are placed on the website of the Company at https://www.ashokleyland.com/in/en/investors/investor-information/compliances-under-the-companies-act-2013

Mr. Gopal Mahadevan, Director retires by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, offers himself for re-appointment. The resolutions seeking approval of the Members for his re-appointment has been incorporated in the Notice convening the AGM of the Company along with brief details about him.

The Company has disclosed the Director's familiarization programme on its website at https://www.ashokleyland.com/in/en/investors/investor-information/familiarization-to-directors

During the year, Non-Executive Directors had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for attending meetings of the Company.

Pursuant to the provisions of Section 2(51) and 203 of the Act, the Key Managerial Personnel of the Company are Mr. Shenu Agarwal, Managing Director and Chief Executive Officer, 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, 2023, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

b) for the financial year ended March 31, 2023, 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, 2023;

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

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

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

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

AUDITORS

Statutory Auditors

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

The Statutory Auditor's report to the Members on the standalone and consolidated financial statement for the year ended March 31, 2023 does not contain any qualification, reservation, adverse remark or any disclaimer. During the year, there were no instances of fraud reported by the Statutory Auditors as per Section 143(12) of the Act.

Cost Records and Cost Auditors

During the year under review, in accordance with Section 148(1) of the Act, the Company has maintained the accounts and cost records, as specified by the Central Government. The Board of Directors had appointed M/s. Geeyes & Co., (Firm Registration No.: 000044), as Cost Auditors of the Company, for conducting the audit of cost records for the financial year ended March 31, 2023. The audit is in progress and the report will be filed with the Ministry of Corporate Affairs within the prescribed period.

The proposal for ratification of remuneration of the Cost Auditors for the financial year 2022-23 is placed before the Members for ratification / approval.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its meeting held on November 10, 2022 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, 2023. The Company has received consent from Ms. B. Chandra to act as the Secretarial Auditor of the Company.

The Secretarial Audit report for the financial year ended March 31, 2023 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.

HLFL, a material unlisted subsidiary of the Company has obtained Secretarial Audit Report from a Practising Company Secretary and it does not have any qualification or adverse remark. The report is attached as **Annexure I**.

SECRETARIAL STANDARDS

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

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with section 134(3) of the Act, the Annual Return as at March 31, 2023 is available on the Company's website at 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 in this regard 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 2 complaints received / filed pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and were subsequently disposed of, after following the due process as required under the policy / Act.

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

REMUNERATION POLICY

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

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

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act is available in the website at 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 the website at 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 performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report attached as **Annexure C** to this report.

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

The particulars of loans, guarantees and investments under Section 186 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the financial year 2022-23 are given in Note No. 3.8 of the Notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In compliance with the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions (RPTs) as approved by the Board which is available on the Company's website and can be accessed at https://www.ashokleyland.com/backend/in/wp-content/uploads/sites/2/2022/05/RPT-policy-AL.pdf#toolbar=0

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 and were placed and approved by the Audit Committee. During the financial year 2022-

23, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the provisions of the Act. Hence, the disclosure of related party transactions in Form AOC-2 is not applicable.

During the financial year 2022-23, there were no materially significant transactions with the related parties, which were in conflict with the interests of the Company and that require an approval of the Members in terms of the SEBI Listing Regulations. Suitable disclosures as required under IND AS 24 have been made in Note No. 3.8 of the Notes to the financial statements.

During the year ended March 31, 2023, the approval of the Members was obtained for the material RPTs (under SEBI Listing Regulations) to be entered into with Switch Mobility Automotive Limited for the FY 2022-23 and with TVS Mobility Private Limited for the FY 2022-23 and FY 2023-24.

The proposals with respect to Material RPTs (under SEBI Listing Regulations) with Switch Mobility Automotive Limited for the FY 2023-24 and with TVS Mobility Private Limited for the FY 2024-25 is placed before the Members at the forthcoming AGM for approval.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The Company's CSR 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 under review, the Company spent ₹ 15.16 Crores on CSR activities which was over and above over the requirement under the Act.

Further, the Board has taken on record the certificate from the head of Financial Management that CSR spends of the Company for financial year 2022-23 have been utilized for the purpose and in the manner approved by the Board of Directors of the Company.

COMMITTEES

As at March 31, 2023, 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.

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations and in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism / Whistle Blower and the same is available on the Company's website at https://www.ashokleyland.com/backend/in/wp-content/uploads/sites/2/2023/05/Whistle-Blower-Policy.pdf#toolbar=0

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, 2023.

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

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

OTHER CONFIRMATIONS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

RISK MANAGEMENT

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

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.

The Risk Management process is currently handled by internal team comprising of key members of Senior Leadership and core Business vertical heads who are 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.

BOARD'S REPORT

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Chennai
23 May 2023

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 12.60 million electrical Units have been saved leading to significant savings in energy cost by about ₹ 10.70 Crores. 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 which was around 20% of the total power consumption was at 65.03 million Units. Similarly, the usage of solar energy was 37% of the total consumption at 118.33 million units this year. Your Company's Green Energy initiative realized significant operating cost savings to the tune of ₹ 36.54 Crores. While also making a very impressive reduction in emissions by 1,30,186 t CO_2 e.
- Use of Indian Energy exchange (IEX) power through online bidding has resulted in savings of ₹ 6.10 Crores by purchasing 48.77 million units which is 15% of total power consumption.
- All manufacturing plants have optimized and maintained towards unity Power factor.
- Your Company has invested ₹ 2.45 Crores towards Energy Conservation initiatives and has saved 12.60 million kwh during FY 2022-23 through energy saving projects, viz.,

  i. Maximum demand reduction to 8900 kVA from 10700 kVA at Ennore and to 3300 kVA from 4800 kVA at Bhandara;

  ii. Capacity improvements across all plants for reducing the per component consumption;

  iii. Replacement of old AC chillers with energy efficient chiller units;

  iv. Technology upgradation – replacement of conventional ceiling fans with BLDC *(brushless DC motor)* fans;

  v. Grid based operation of compressed air distribution;

  vi. Power optimizer and Demand controller introduced to control the furnace power at ALFD, Ennore;

  vii. Interlocking of cooling tower fan with the temperature by suitable circuit modifications;

  viii. Incorporation of harmonic filters panel for compressors and variable frequency drives for conveyors;

  ix. Reduction of liquid metal power to 630 units / MT from 670 units / MT;

  x. Conversion of pneumatic operated hoists with electric hoists;

  xi. Introduction of energy efficient screw compressor for the high-pressure requirement of nut runners and elimination of air pressure boosters;

  xii. Productivity improvement in Chassis line 1 by 13% resulted in lesser energy per vehicle (4% reduction);

  xiii. Capacity enhancement at paint shop by 60% resulted in lesser energy consumption per cab (10% reduction) since paint shop consumption is fixed in nature;

  xiv. Introduction of high energy efficient motors with less rating against the high-powered motors;

  xv. Rebuilding of rotary hearth furnace to accommodate bigger parts processing;

  xvi. Capacity improvement in the furnaces at manufacturing plants and at foundries to improve the yield;

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

  xviii. Lighting modification (LEDfication) continued at renovated buildings & office areas.

With all the continuous efforts and endeavour on energy conservation, our Company is moving towards carbon neutral and becoming a "Cleaner & Greener" organization.

b) Towards wood-free Plant:

Usage of wood has been significantly reduced across Plants from 11.83 kg/HECU in FY 2021-22 to 9.91 kg/HECU in FY 2022-23 (16% reduction) at vehicle manufacturing plants and 1.19 kg/MT in FY 2021-22 to 0.77 kg/MT in FY 2022-23 (36% reduction) at foundry division 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 29 multilayer dense forests using Miyawaki Method – a Japanese way. About 57,472 trees were planted in 19,036 Sqm (20 locations) in a phased manner so far in FY 2022-23. Total tree plantations inside and outside plants in FY 2022-23 is 37,479 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% 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

With cumulative 10.14 MW roof top solar power across AL units and 75 MWp solar park at Sivagangai District, in Tamil Nadu through Hinduja Renewable Private Limited, 118 million units were generated for the FY 2022-23 which amounts to 37% of total power consumption including northern plants. This will ensure abatement of 83,780 tonnes of carbon emissions.

With these, there is an overall reduction in the cost of production and significant reduction in CO2 emissions. Your Company stands at 67% of renewable energy in Tamil Nadu and 57% throughout India.

Further it is proposed during FY24, to increase the renewable energy share by expansion of solar park (+12.4 MWp), and enhancing the roof top solar capacity (+18.25 MWp) by which the Company will stand at 84% of renewable energy in Tamil Nadu and 73% throughout India.

Awards

- AL won **13** prestigious **CII EHS Excellence awards** (9 maturity awards and 4 special category awards). Plant wise details provided below:
  - Pantnagar (sectoral topper), Hosur 2, Foundry Sriperumbudur – Gold Award
  - Hosur 1, Hosur 3, Ennore, Bhandara – Silver Award
  - Alwar, Foundry Ennore – Bronze Award
- Pantnagar: Special category award for air quality and environment restoration in CII-SR EHS Excellence Award 2022.
- Alwar: Special category award for Safe Employees, Safe Communities in CII-SR EHS Excellence Award 2022.
- Ennore: Special category award for Water management in CII-SR EHS Excellence Award 2022.
- Hosur 2 bagged the "Environmental Excellence Award" from CII-ITC sustainability awards.
- Foundry Sriperumbudur and Pantnagar plant bagged the SEEM – Gold National Energy Award.
- Bhandara won "First Runner up award" in State level "CII Maharashtra energy conservation award 2022" competition organized by CII Maharashtra under large scale engineering industry.
- Pantnagar has won the CII 23rd National Energy award for best energy efficient Organization.

B. TECHNOLOGY ABSORPTION

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

C. RESEARCH AND DEVELOPMENT

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

- **Engines and Aggregates**
  - Development of engines for alternate fuels other than Diesel.
  - Development of components for Electric Powertrain.
  - OBD2 emission for all models SCV, LCV, ICV & MHCV.
- **Vehicles**
  - Development of CNG & LNG variants on Modular AVTR Platform.
  - New variants of M&HCV trucks in modular platform.
  - Development of New Bus Variants for Inter-City application.

2. Benefits derived

- CNG variants with complete local aggregates, helped reduce the diesel consumption & thereby reduce carbon footprint with use of CNG.
- New products launched in SCV, LCV, ICV & M&HCV Platforms leading to better TCO for customers.
- Alternate fuel vehicles showcased in Auto Expo 2023 – CNG, LNG, H2 ICE, EV, FCEV – Leading the path towards green economy.

3. Future plan of action

- CEV V development for Industrial engines.
- Modular platform for New Energy & export markets.
- SCV development for export markets.
- Development of Advanced Driver Assist Systems.

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

(₹ in Crores)

Expenditure on R&D	2022-23	2021-22
Capital	30.08	9.74
Revenue (excluding depreciation)	410.44	377.69
Less: Amount received by R&D facilities	(10.86)	(8.52)
Total	**429.66**	**378.91**
Total R&D expenditure as a % of total turnover	**1.19**	**1.75**

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings in foreign currency and expenditure incurred in foreign currency amounts to ₹ 1,792.19 Crores and ₹ 210.44 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	162.45	NA@
2	Prof. Dr. Andreas H Biagosch	6.44	60.63
3	Dr. Andrew C Palmer*	NA	NA
4	Dr. C Bhaktavatsala Rao	7.45	44.66
5	Mr. Jean Brunol	6.86	46.81
6	Mr. Jose Maria Alapont	7.68	48.21
7	Ms. Manisha Girotra	6.14	62.42
8	Mr. Sanjay K Asher	7.65	62.45
9	Mr. Saugata Gupta	6.95	54.37
10	Mr. Shom Hinduja	4.55	NA
11	Mr. Gopal Mahadevan	127.01	145.56
12	Mr. Shenu Agarwal#	NA	NA
13	Mr. N. Ramanathan	20.30	46.89

@Not applicable, since Mr. Dheeraj G Hinduja was appointed as the Executive Chairman from November 26, 2021.

* Dr. Andrew C Palmer had resigned as Director during FY 2022-23 w.e.f. November 03, 2022

Not applicable since Mr. Shenu Agarwal was appointed as MD & CEO during FY 2022-23 w.e.f. December 08, 2022.

b. The median remuneration for the year 2022-23 is ₹ 11,08,046/.

c. The Percentage increase/(decrease) in the median remuneration of the employees in the financial year is 26.41%

d. The number of permanent employees on the rolls of Company: 9603

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, as the Co-Chairman of Hinduja Automotive Limited (Holding Company) was in receipt of remuneration on a monthly basis and the same for the period April 1, 2022 to March 31, 2023 was £1,40,000.

Mr. Dheeraj G Hinduja, Executive Chairman was in receipt of Commission amounting to ₹ 64.35 lakhs for the FY 2022- 23 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 ₹ 20.67 lakhs for FY 2022-23 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. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary and the same will be provided free of cost to the shareholder.

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

Ashok Leyland's Philosophy on Code of Governance

a. Your Company considers 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. 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 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 a timely manner.

Board of Directors

i. As on March 31, 2023, the Board comprised of eleven Directors. Of the eleven directors, eight (72.73%) 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, 2023 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 23, 2023 has taken on record these declarations received from the Independent Directors. In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in SEBI Listing Regulations and are independent of the Management.

iv. Every Independent Director at the first meeting of the Board in every financial year, 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 formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been hosted on the website of the Company.

vii. The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of directorships and Committee chairmanships/memberships held by them as on March 31, 2023 is given herein below:

Name of Director	Category	Number of Board meetings during the year 2022-23		Attendance at last AGM held on July 29, 2022	Number of Directorships in other public limited companies$		Number of Directorships in other companies	Number of Committee positions held in other public Companies&	
		Held	Attended		Director	Chairman		Member	Chairman
Mr. Dheeraj G Hinduja, Executive Chairman DIN: 00133410	Promoter, Non-Independent Executive	7	7	Yes	5	4	3	-	-
Prof. Dr. Andreas H Biagosch DIN: 06570499	Independent Non-Executive	7	7	Yes	-	-	4	-	-
Mr. Jean Brunol DIN: 03044965	Independent Non-Executive	7	7	Yes	1	-	1	-	-

Name of Director	Category	Number of Board meetings during the year 2022-23		Attendance at last AGM held on July 29, 2022	Number of Directorships in other public limited companies[$]		Number of Directorships in other companies	Number of Committee positions held in other public Companies[&]	
		Held	Attended		Director	Chairman		Member	Chairman
Mr. Jose Maria Alapont DIN: 07712699	Independent Non-Executive	7	7	Yes	-	-	4	-	-
Ms. Manisha Girotra DIN: 00774574	Independent Non-Executive	7	6	Yes	-	-	3	-	-
Mr. Sanjay K Asher DIN: 00008221	Independent Non-Executive	7	7	Yes	8	-	4	8	2
Mr. Saugata Gupta DIN: 05251806	Independent Non-Executive	7	7	Yes	3	-	7	2	1
Dr. C Bhaktavatsala Rao DIN: 00010175	Non-Independent Non-Executive	7	7	Yes	-	-	3	-	-
Mr. Shom Ashok Hinduja DIN: 07128441	Non-Independent Non-Executive	7	7	Yes	1	-	3	-	-
Mr. Shenu Agarwal* Managing Director & Chief Executive Officer DIN: 03485730	Non-Independent Executive	3[@]	3	NA	-	-	-	-	-
Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer DIN: 01746102	Non-Independent Executive	7	6	Yes	5	-	2	5	-

**Appointed as the Managing Director & Chief Executive Officer with effect from December 8, 2022.*

[$] 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.

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

&Represents Committee positions in Audit and Stakeholders Relationship Committee.

Note: Dr. Andrew C Palmer, Non-Executive Director resigned from the Board with effect from November 3, 2022. He has attended 3 Board meetings between April 1, 2022 to November 3, 2022.

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 Chemical Industries Limited	
	Sun Pharmaceutical Industries Limited	
Mr. Saugata Gupta	Marico Limited	Managing Director & Chief Executive Director
	Delhivery Limited	Non-Executive Independent Director
Mr. Shom Ashok Hinduja	Gulf Oil Lubricants India Limited	Non-Executive Non-Independent Director

Changes in Board composition during the financial year 2022-23

During the FY 2022-23, the following were the changes in the Board composition:

Name	Nature of Change
Dr. Andrew C Palmer, Non-Executive Non-Independent Director	Resigned as a Non-Executive Non-Independent Director with effect from November 3, 2022.
Mr. Shenu Agarwal Managing Director & Chief Executive Officer	Appointed as the Managing Director & Chief Executive Director with effect from December 8, 2022. His appointment was approved by the shareholders through Postal Ballot on January 21, 2023.

viii. 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.

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

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

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

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

May 19, 2022, June 16, 2022, July 29, 2022, November 10, 2022, December 8, 2022, February 1, 2023 and March 22, 2023. The necessary quorum was present for all the meetings.

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

xiv. During the year 2022-23, 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.

xv. 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.

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

xvii. 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.

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

xix. During the financial year 2022-23, under AL ESOP 2016 and 2018, the Nomination and Remuneration Committee ("NRC") has not granted any options to any of the eligible employees of the Company.

xx. As at March 31, 2023, Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer holds 20,620 shares in the Company.

Dr. C Bhaktavatsala Rao holds 1,690 shares in the Company as at March 31, 2023 in individual capacity and 6,550 shares as Karta of HUF. Other Non-Executive Directors do not hold any shares in the Company.

xxi. Your Company has not issued any convertible instruments.

xxii. During the year, the Independent Directors of the Company without the presence of non-independent directors and management team met on May 19, 2022, June 8, 2022, November 10, 2022, January 27, 2023 and March 23, 2023. The Independent Directors inter-alia reviewed the performance of the non-independent directors, Board as a whole and Chairman of the Company, on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board. Prof. Dr. Andreas H Biagosch, Lead Director of these meetings presented the views of the Independent Directors on matters relating to Board processes and views, to the Board.

xxiii. The details of familiarisation programme done for the financial year 2022-23 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.

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

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

ANNEXURE C TO THE BOARD'S REPORT
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/WhistleBlower-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 2022-23	
		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	3
Mr. Saugata Gupta	Independent, Non-Executive	4	4

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: May 18, 2022, July 28, 2022, November 09, 2022 and January 31, 2023. The necessary quorum was present at all the meetings.

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

Mr. Sanjay K Asher, Chairman of the Audit Committee was present at the AGM held on July 29, 2022.

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

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

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

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

Nomination and Remuneration Committee

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

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

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

Composition

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

Name	Category	Number of meetings during the financial year 2022-23	
		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

Meetings

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

April 06, 2022, May 18, 2022, November 10, 2022, December 06, 2022 and February 01, 2023

The necessary quorum was present for all the meetings.

The Chairperson of the NRC was present at the last AGM held on July 29, 2022.

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:

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

Details of the remuneration for Non-Executive Directors for the year ended March 31, 2023

Sl. No.	Name of the Director	Sitting fees (₹)	Commission (₹)	Total (₹)
1.	Prof. Dr. Andreas H Biagosch	10,00,000	61,37,000	71,37,000
2.	Dr. Andrew C Palmer*	3,00,000	-	3,00,000
3.	Mr. Jean Brunol	14,00,000	61,99,000	75,99,000
4.	Mr. Jose Maria Alapont	17,00,000	68,13,000	85,13,000
5.	Ms. Manisha Girotra	10,80,000	57,22,000	68,02,000
6.	Mr. Sanjay K Asher	14,90,000	69,85,000	84,75,000
7.	Mr. Saugata Gupta	15,20,000	61,80,000	77,00,000
8.	Dr. C Bhaktavatsala Rao	11,20,000	71,37,000	82,57,000
9.	Mr. Shom Ashok Hinduja	10,00,000	40,37,000	50,37,000
	Total	**1,06,10,000**	**4,92,10,000**	**5,98,20,000**

**Dr. Andrew C Palmer resigned from the Board with effect from November 3, 2022.*

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

(ii) Details of Remuneration for the Executive Directors for the year ended March 31, 2023

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Mr. Dheeraj G Hinduja, Executive Chairman	Mr. Shenu Agarwal, Managing Director and Chief Executive Officer (from December 8, 2022)	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	17,03,57,143	1,27,31,772	13,93,68,215
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	88,92,852	13,37,733	6,19,790
2.	Employee Stock Option	-	-	-
3.	Others - Retirement benefits	7,50,000	-	7,50,000
	Total	**17,99,99,995**	**1,40,69,505**	**14,07,38,005**

The above figures are on accrual basis.

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

Services of the Executive Chairman, MD & CEO 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 also 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. Mr. Shenu Agarwal was inducted as a Member of the Shares Committee with effect from February 1, 2023.

Composition

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

Name	Category	Number of meetings during the financial year 2022-23	
		Held	Attended
Mr. Sanjay K Asher, Chairman	Independent, Non-Executive	4	4
Ms. Manisha Girotra	Independent, Non-Executive	4	4
Mr. Dheeraj G Hinduja	Non- Independent, Executive	4	3

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

Meetings

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

May 18, 2022, July 29, 2022, November 10, 2022 and February 01, 2023. The necessary quorum was present for all the meetings.

Details of Complaints/other Correspondences

During the financial year, 13 complaint letters and 2,060 correspondences were received from investors (13 complaint letters from the Stock Exchanges/SEBI SCORES).

Subject Matter of Complaints	Pending as on March 31, 2022	Letters Received	Letters replied/ completed	Pending as on March 31, 2023
Non-Receipt of Dividend / Interest	-	1	1	-
Transmission of shares	-	5	5	-
Refund of shares from IEPF Authority	-	1	1	-
Unclaimed Dividend	-	1	1	-
Others	-	5	5	-
Total	-	**13**	**13**	-

Subject Matter of Correspondence	Pending as on March 31, 2022	Letters Received	Letters replied/ completed	Pending as on March 31, 2023
Regarding Share Certificate	1	87	87	1
Regarding Dividend/Interest	-	19	19	-
Regarding Annual Report	-	9	9	-
Issue of Duplicate Share Certificate	-	79	77	2
Loss of Share Certificates	5	204	207	2
Revalidation of Dividend/Interest	2	82	82	2
Issue of Duplicate Dividend/Interest	2	47	49	-
Procedure for Transmission	4	466	458	12
Change of Address/Bank Mandate	-	385	385	-
Other Correspondence	1	102	98	5
Unclaimed share certificate	-	11	10	1
Unclaimed Dividend	1	348	339	10
Claims regarding refund of Shares/ Dividend from IEPF authority	1	221	215	7
Total	**17**	**2,060**	**2,035**	**42**

Shareholder queries shown pending as on March 31, 2023, have been subsequently resolved within the prescribed time limits.

Corporate Social Responsibility Committee

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

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

The CSR Report as required under the Companies Act, 2013 for the year ended March 31, 2023 is attached as Annexure J to the Board's Report.

Composition

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

Name	Category	Number of meetings during the financial year 2022-23	
		Held	Attended
Mr. Dheeraj G Hinduja, Chairman	Executive	2	2
Ms. Manisha Girotra	Independent, Non-Executive	2	2
Mr. Sanjay K Asher	Independent, Non-Executive	2	2
Mr. Shenu Agarwal*	Non- Independent, Executive	-	-

**Appointed as a Member with effect from February 1, 2023.*

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

Meetings

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

May 18, 2022 and July 29, 2022. The necessary quorum was present for all the meetings.

Risk Management Committee

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

The terms of reference of the RMC is as follows:

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

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

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

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

Composition

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

Name	Category	Number of meetings during the financial year 2022-23	
		Held	Attended
Prof. Dr. Andreas H Biagosch, Chairman	Independent, Non-Executive	2	2
Mr. Sanjay K Asher	Independent, Non-Executive	2	2
Mr. Gopal Mahadevan	Non-Independent, Executive	2	1
Mr. Shenu Agarwal*	Non- Independent, Executive	-	-

**Appointed as a Member with effect from February 1, 2023.*

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

Meetings

Two RMC meetings were held during the year on April 27, 2022 and October 18, 2022 and the gap between two meetings did not exceed one hundred and eighty days. The necessary quorum was present for the meetings.

Other Committees

Technology and Investment Committee

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

Composition

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

Name of the Committee	Name	Category	Number of meetings during the financial year 2022-23	
			Held	Attended
Technology and Investment Committee	Mr. Dheeraj G Hinduja, Chairman	Executive	3	3
	Prof. Dr. Andreas H Biagosch	Independent, Non-Executive	3	3
	Dr. Andrew C Palmer*	Non-Independent, Non-Executive	1	-
	Mr. Jean Brunol	Independent, Non-Executive	3	3
	Mr. Jose Maria Alapont	Independent, Non-Executive	3	3
	Mr. Shom Ashok Hinduja	Non-Independent, Non-Executive	3	3

**Ceased to be a Member with effect from November 3, 2022 consequent to his resignation from the Board.*

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

Meetings

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

May 12, 2022, November 09, 2022 and January 31, 2023. The necessary quorum was present for all the meetings.

Environmental, Social and Governance Committee

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

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

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

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

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

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

v. Review monitoring processes for tracking the ESG performance.

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

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

Composition

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

Name	Category	Number of meetings during the financial year 2022-23	
		Held	Attended
Mr. Jose Maria Alapont Chairman	Independent, Non-Executive	4	4
Dr. C. Bhaktavatsala Rao	Non-Independent, Non-Executive	4	4
Mr. Jean Brunol	Independent, Non-Executive	4	4
Mr. Sanjay K. Asher	Independent, Non-Executive	4	3
Mr. Saugata Gupta	Independent, Non-Executive	4	4
Mr. Shom Ashok Hinduja	Non-Independent, Non-Executive	4	4

Mr. Shenu Agarwal was appointed as a Member of ESG Committee with effect from May 23, 2023. Mr. N Ramanathan, Company Secretary is the Secretary to the Committee.

Meetings

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

May 12, 2022, July 28, 2022, November 09, 2022 and January 31, 2023. The necessary quorum was present for all the meetings.

Fund Raising Committee

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

General Body Meetings

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

Year	Location	Date and Time	Special resolutions passed
73rd AGM 2021-22	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")	July 29, 2022 and 3.00 p.m.	(i) Ratification of the remuneration of Mr. Vipin Sondhi, MD&CEO for the period April 1, 2022 to December 31, 2022 in view of inadequacy of profits; (ii) Ratification of the remuneration of Mr. Gopal Mahadevan, WTD & CFO for the FY 2021-22 in view of inadequacy of profits; (iii) Ratification of the remuneration of Mr. Dheeraj G Hinduja, Executive Chairman for the period November 26, 2021 to March 31, 2022 in view of inadequacy of profits; (iv) Revision in remuneration of Mr. Dheeraj G Hinduja, Executive Chairman with effect from April 1, 2022; (v) Enhancement of limits under Section 186 of the Companies Act, 2013.
72nd AGM 2020-21	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")	September 8, 2021 and 3.00 p.m.	(i) Re-appointment of Mr. Jose Maria Alapont as an Independent Director; (ii) Ratification of the remuneration of Mr. Vipin Sondhi, MD&CEO for the FY 2020-21 in view of inadequacy of profits; (iii) Ratification of the remuneration of Mr. Gopal Mahadevan, WTD & CFO for the FY 2020-21 in view of inadequacy of profits; (iv) Payment of remuneration to Non-Executive Non-Independent Directors for the FY 2020-21 in view of inadequacy of profits.
71st AGM 2019-20	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")	September 2, 2020 and 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.

No Extra-Ordinary General Meeting was held during the year 2022-23.

ii. Postal Ballot:

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

Nature of business	Period	Date of declaration
Approval of Material Related Party Transaction(s) with TVS Mobility Private Limited for the FY 2022-23.	May 25, 2022 to June 23, 2022	June 24, 2022
Appointment of Mr. Shenu Agarwal (DIN: 03485730) as a Director. Appointment of Mr. Shenu Agarwal (DIN: 03485730) as the Managing Director & Chief Executive Officer	December 23, 2022 to January 21, 2023	January 23, 2023

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 2022-23, there were no materially significant transactions with the related parties, which were in conflict with the interests of the Company. The transactions entered into with the related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. During the year, the Company obtained the approval of the shareholders for material related party transactions with TVS Mobility Private Limited (for the FY 2022-23 and FY 2023-24) and Switch Mobility Automotive Limited (for the FY 2022-23) in line with Regulation 23(4) of SEBI Listing Regulations.

(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 2020-21, 2021-22 and 2022-23 respectively: Nil

(iv) Whistle Blower Policy

Your Company has established a Vigil Mechanism/Whistle Blower Policy to enable stakeholders (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 has 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) The disclosure in relation to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the FY 2022-23 is as below:

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

b) Number of complaints disposed off during the financial year: 2

c) Number of complaints pending as on end of the financial year: 0

(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, 2023 is given below (excluding reimbursement of expenses):

S. No.	Nature of Service	₹ in Crores
1.	Statutory Audit Fees	1.90
2.	Other services including certification and auditing group reporting pack	1.09
	Total	**2.99**

(viii) 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 non-mandatory requirements:

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

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

(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.

(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 Managing Director & Chief Executive Officer, on the compliance declarations received from the Board and Senior Management. The Code has been hosted on the Company's website 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, the Company is in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. On a quarterly basis, the Audit Committee reviews the compliance with these Regulations. Your Company has also formulated a Code of Practises and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Codes have been hosted 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 has not raised any funds through preferential allotment or public issue or rights issue or qualified institutions placement and hence the disclosure as specified under Regulation 32(4) & 32(7A) of the SEBI Listing Regulations is not applicable.

(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 (in terms of Section 184(2) of the Act).

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

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

- HLFL was incorporated on November 12, 2008 at No. 1, Sardar Patel Road, Guindy, Chennai – 600 032. Subsequently, the Registered Office of HLFL was shifted to Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai – 400 018 with effect from June 8, 2022.

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

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

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

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

During the year under review, the Board of Directors of HLFL has approved the Scheme of Merger by absorption of HLFL into NXTDIGITAL Limited, subject to the receipt of approvals from various statutory and regulatory authorities, respective shareholders and creditors at a share exchange ratio of Twenty-five equity shares of face value of ₹ 10/- each of NXTDIGITAL for every Ten equity shares of face value of ₹ 10/- each held in HLFL. The merger is under progress and the updates on the same would be intimated to the Stock Exchanges as required under the Regulations.

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, if any, made to institutional investors and analysts 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.

REPORT ON CORPORATE GOVERNANCE

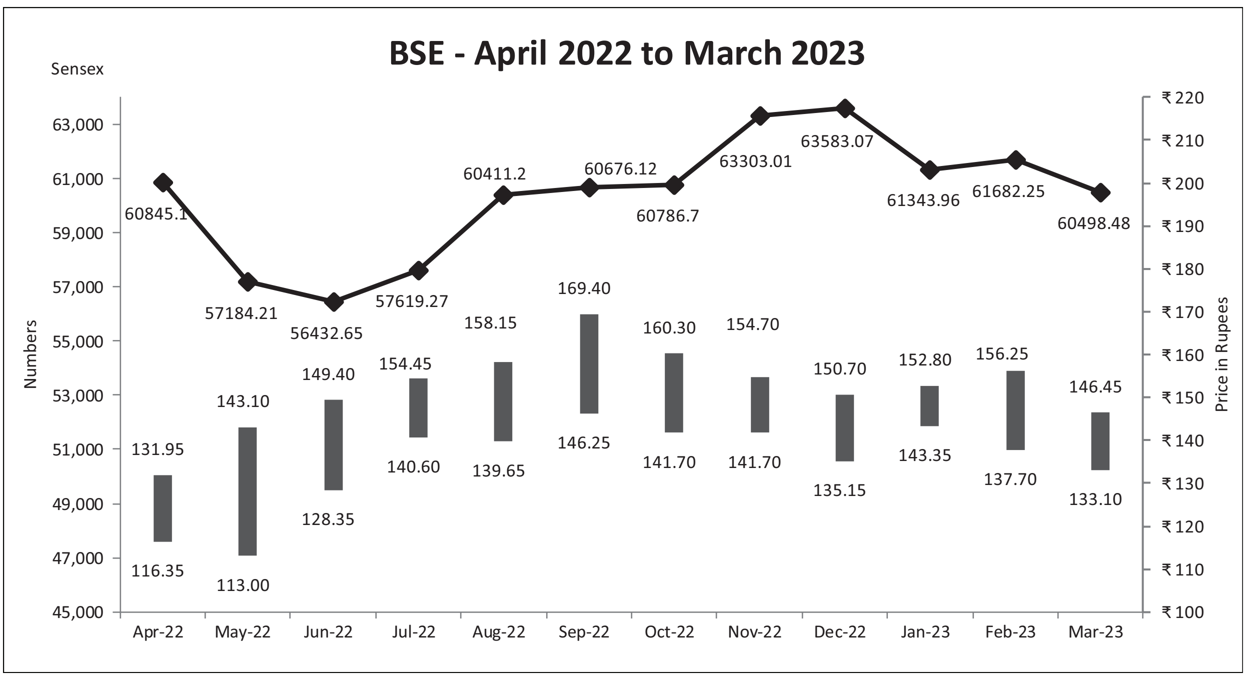
General shareholder information

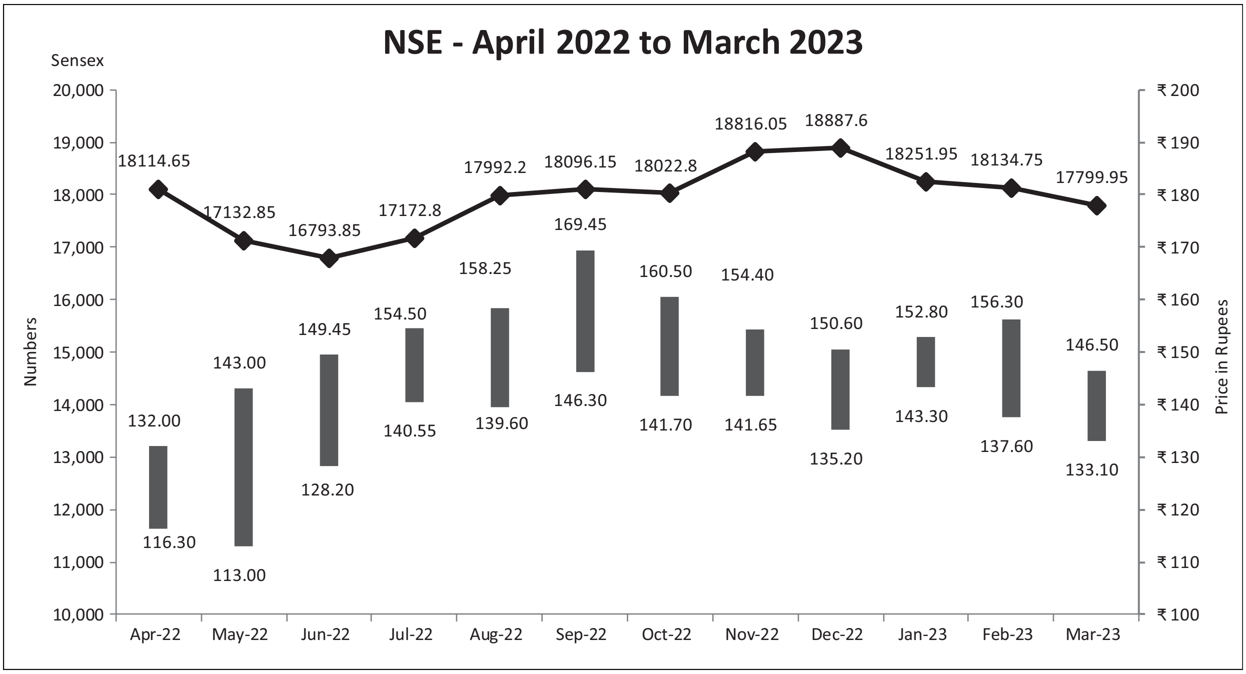
A.	Seventy Fourth Annual General Meeting		
	Day, Date and Time	Friday, July 21, 2023 at 2.45 P.M. (IST)	
	Venue	Video Conferencing or other Audio-Visual means	
B.	Financial Year	April 1, 2022 to March 31, 2023	
C.	Book closure dates	Saturday, July 8, 2023 to Friday, July 21, 2023 (both days inclusive)	
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 2022-23 has been paid to both the Stock Exchanges.	
	Depository Fee	Annual custody fee for the financial year 2022-23 has been paid to the Depositories.	
	Corporate Identity Number	L34101TN1948PLC000105	
G.	Stock Code		
	i) Trading Symbol at	BSE	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	

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-22	132.00	116.30	18,114.65	16,824.70	131.95	116.35	60,845.10	56,009.07
May-22	143.00	113.00	17,132.85	15,735.75	143.10	113.00	57,184.21	52,632.48
Jun-22	149.45	128.20	16,793.85	15,183.40	149.40	128.35	56,432.65	50,921.22
Jul-22	154.50	140.55	17,172.80	15,511.05	154.45	140.60	57,619.27	52,094.25
Aug-22	158.25	139.60	17,992.20	17,154.80	158.15	139.65	60,411.20	57,367.47
Sep-22	169.45	146.30	18,096.15	16,747.70	169.40	146.25	60,676.12	56,147.23
Oct-22	160.50	141.70	18,022.80	16,855.55	160.30	141.70	60,786.70	56,683.40
Nov-22	154.40	141.65	18,816.05	17,959.20	154.70	141.70	63,303.01	60,425.47
Dec-22	150.60	135.20	18,887.60	17,774.25	150.70	135.15	63,583.07	59,754.10
Jan-23	152.80	143.30	18,251.95	17,405.55	152.80	143.35	61,343.96	58,699.20
Feb-23	156.30	137.60	18,134.75	17,255.20	156.25	137.70	61,682.25	58,795.97
Mar-23	146.50	133.10	17,799.95	16,828.35	146.45	133.10	60,498.48	57,084.91

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 MD & CEO and WTD & CFO to approve all routine transmissions, change of name etc., of shares. Such approval is being given at frequent intervals (55 times during 2022-23). Requests for dematerialisation were confirmed within fifteen days and those requests for transmission were approved within seven days.

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

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, 2022	**444**	**3,99,901**
Number of shareholders who approached the Company for transfer of shares from Unclaimed Shares Suspense Account during the year	7	8,200
Number of shareholders to whom shares were transferred from Unclaimed Shares Suspense Account during the year	7	8,200
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	134	1,29,360
Aggregate number of shareholders and the outstanding shares in the Unclaimed Shares Suspense Account lying as on March 31, 2023	**303**	**2,62,341**

The voting rights on the shares outstanding in the suspense account as on March 31, 2023 shall remain frozen till the rightful owner of such shares claims 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'). In terms of the IEPF Rules, 733,362 shares pertaining to 1,166 holders were transferred to the IEPF Authority during the FY 2022-23. The voting rights on the shares outstanding in the IEPF Authority as on March 31, 2023 remains frozen till the rightful owner of such shares claim the same.

N. Instruction to Members

As per SEBI Circulars dated November 3, 2021 and March 16, 2023, 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 the above details immediately, failing which all such physical folios shall stand frozen with effect from October 1, 2023. Members may get in touch with Integrated Registry Management Services Private Limited, Registrar and Share Transfer Agent, for further information.

O. (i) Distribution of Shareholding as on March 31, 2023

Sl. No.	Category of shares	Holders	% to holders	Shares	% to capital
1.	Up to 50	6,61,933	57.77	1,04,58,476	0.36
2.	51-100	1,60,700	14.03	1,40,05,896	0.48
3.	101-200	1,14,232	9.97	1,87,67,707	0.64
4.	201-500	1,03,801	9.06	3,68,21,689	1.25
5.	501-1000	52,010	4.54	4,13,85,848	1.41
6.	1001-2000	27,983	2.44	4,27,40,516	1.45
7.	2001-5000	17,241	1.50	5,60,47,487	1.91
8.	5001-10000	4,875	0.43	3,52,61,175	1.20
9.	10001 and above	2,957	0.26	2,68,06,38,482	91.30
	Total	**11,45,732**	**100.00**	**2,93,61,27,276**	**100.00**

(ii) Shareholding pattern as on March 31, 2023

Sl No.	Category	Shares	%
1	Promoters	1,50,06,60,261	51.11
2	Resident Individuals / Association Of Persons / HUF	29,80,18,461	10.15
3	IEPF Authority / Unclaimed Securities Suspense Account	65,43,906	0.22
4	Clearing Members	2,71,893	0.01
5	Financial Institutions/Insurance Co. / State Govt./Govt. Companies	21,58,13,750	7.35
6	Foreign Institutional Investors	7,500	0.00
7	Foreign Portfolio Investors	43,25,54,620	14.73
8	NRI / OCB / Corporate Bodies - Foreign / Foreign National / Foreign Banks	1,35,31,229	0.46
9	Corporate Bodies / Limited Liability Partnership	1,13,05,422	0.39
10	Mutual Funds /UTI	42,29,64,220	14.41
11	Trusts	18,82,377	0.06
12	Banks	26,33,104	0.09
13	Alternate Investment Fund	62,22,533	0.21
14	Others - GDR A/C	2,37,18,000	0.81
	Grand Total	**2,93,61,27,276**	**100.00**

(iii) Details of Shares

Type	Number of Shares	% to paid up capital	Number of Holders
Physical	1,00,97,647	0.34	7,963
Electronic - NSDL	2,77,82,98,861	94.63	4,45,309
Electronic - CDSL	14,77,30,768	5.03	6,92,460
Total	**2,93,61,27,276**	**100.00**	**11,45,732**

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 99.66% of the Company's equity share capital are dematerialised as on March 31, 2023. 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 share certificates in case of transmission and requests for duplicate share certificates can only be undertaken in dematerialised mode.

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, 2023 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

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

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

a) Total exposure of the listed entity to commodities is ₹ 2,214 Crores.

b) Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity in FY 2022-23	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	₹ 2,214 Crores	3.03 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.

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

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	
E-mail ID of Investor 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 (in ₹ Crores)	Rating Action
ICRA	Fund Based Limits	2,000.00	Reaffirmed ICRA AA (Outlook revised to 'Stable' from 'Negative') / ICRA A1+
	Non-Fund Based Limits	1,200.00	Reaffirmed ICRA AA (Outlook revised to 'Stable' from 'Negative') / ICRA A1+
	Long Term Loans	1,318.75	Reaffirmed ICRA AA (Outlook revised to 'Stable' from 'Negative')
	Long term/Short term: Unallocated	200.00	Reaffirmed ICRA AA (Outlook revised to 'Stable' from 'Negative') / ICRA A1+
	Short Term: Commercial Paper	2,000.00	Reaffirmed ICRA A1+
	Long Term: Non-Convertible Debentures	850.00	Reaffirmed ICRA AA (Outlook revised to 'Stable' from 'Negative')
CARE	Fund Based Limits	2,000.00	Reaffirmed CARE AA (Outlook revised to 'Stable' from 'Negative') / CARE A1+
	Non-Fund Based Limits	1,200.00	Reaffirmed CARE AA (Outlook revised to 'Stable' from 'Negative') / CARE A1+
	Long Term Loans	400.00	Reaffirmed CARE AA (Outlook revised to 'Stable' from 'Negative')
	Long term/Short term: Unallocated	500.00	Reaffirmed CARE AA (Outlook revised to 'Stable' from 'Negative') / CARE A1+
	Short Term: Commercial Paper	2,000.00	Reaffirmed CARE A1+
	Long Term: Non-Convertible Debentures	600.00	Reaffirmed CARE AA (Outlook revised to 'Stable' from 'Negative')

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, 2023 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 23, 2023 **Shenu Agarwal**
Chennai Managing Director & Chief Executive Officer

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) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter referred to as ("SEBI (LODR) Regulations 2015") for the financial year ended 31st March, 2023. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) of SEBI (LODR) Regulations, 2015 for the financial year ended 31st March, 2023.

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: F004775E000336557

Place: CHENNAI
Date : May 23, 2023

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, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such other statutory authority.

S. NO	DIN	NAME OF THE DIRECTOR	DESIGNATION	DATE OF APPOINTMENT
1	00133410	Mr. DHEERAJ GOPICHAND HINDUJA	EXECUTIVE DIRECTOR CHAIRMAN	03/09/1996
2	03044965	Mr. JEAN BRUNOL	NON-EXECUTIVE - INDEPENDENT DIRECTOR	20/10/2010
3	00008221	Mr. SANJAY KHATAU ASHER	NON-EXECUTIVE - INDEPENDENT DIRECTOR	21/12/2010
4	06570499	Prof. Dr. ANDREAS HUBERTUS BIAGOSCH	NON-EXECUTIVE - INDEPENDENT DIRECTOR	10/05/2013
5	00774574	Ms. MANISHA GIROTRA	NON-EXECUTIVE - INDEPENDENT DIRECTOR	08/09/2014
6	07712699	Mr. JOSE MARIA ALAPONT	NON-EXECUTIVE - INDEPENDENT DIRECTOR	25/01/2017
7	01746102	Mr. GOPAL MAHADEVAN	WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER	24/05/2019
8	05251806	Mr. SAUGATA GUPTA	NON-EXECUTIVE INDEPENDENT DIRECTOR	08/11/2019
9	00010175	Dr. CANAKAPALLI BHAKTAVATASALA RAO	NON-EXECUTIVE - NON INDEPENDENT DIRECTOR	12/08/2020
10	07128441	Mr. SHOM ASHOK HINDUJA	NON-EXECUTIVE - NON INDEPENDENT DIRECTOR	12/11/2021
11	03485730	Mr. SHENU AGARWAL	MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER	08/12/2022

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

Place: CHENNAI
Date : May 23, 2023

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

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
PR.No.657/2020
UIN: S2003TN063400
UDIN: F004775E000336612

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) in January this year India's real GDP growth for FY23 is placed at 7.0%, driven by private consumption and public investment. Economic activity remained resilient in Q4. Index of Industrial Production (IIP) expanded by 5.2% while the output of eight core industries rose even faster by 8.9% in Jan'23 & 6.0% in Feb'23, indicative of the strength of industrial activity. In the services sector, domestic air passenger traffic, port freight traffic, e-way bills and toll collections posted healthy growth in Q4, while railway freight traffic registered a modest growth. Purchasing Managers Indices (PMI) pointed towards sustained expansion in both manufacturing (56.4) and services in March (57.8).

A good rabi crop should strengthen rural demand, while the sustained buoyancy in contact-intensive services should support urban demand. The government's thrust on capital expenditure, above trend capacity utilization in manufacturing, double digit credit growth and the moderation in commodity prices are expected to bolster manufacturing and investment activity. GOI in the Union Budget 2023-24 increased total capex outlay by 33.0% to ₹ 10 lakh Crore. 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified. Budgetary allocation for MoRTH saw a 25.0% increase totaling to ₹ 2.6 lakh Crore. The TIV for e-Buses & e-LCVs is expected to grow at CAGR of 37% and 73% respectively till 2032. The external demand drag could accentuate, given slowing global trade and output. Taking all these factors into consideration, RBI has forecasted India's real GDP growth for FY24 at 6.5%.

The inflation trajectory for 2023-24 would be shaped by both domestic and global factors. The expectation of a record food grains production bodes well for the food prices outlook. The impact of recent unseasonal rains and hailstorms, however, needs to be watched. Crude oil prices outlook is subject to high uncertainty. Taking into account these factors and assuming an annual average crude oil price (Indian basket) of US$ 85/barrel and a normal monsoon, CPI inflation is projected at 5.2% for FY24.

Domestic demand in India is expected to be robust and domestic steel mills are not facing demand constraints. Rising oil stocks in the US and expectations of further interest rate increases are likely to weigh on crude prices. With CNG prices moving downwards from Apr 2023 and if diesel prices expected to stay at current levels, the difference between diesel and CNG prices is expected to move higher and that could drive higher demand for CNG vehicles going forward. Overall globally and domestically commodity costs are expected to be stable for FY24. Going into 2023 automakers are more optimistic about the end of chip shortage. However, some industry insiders have suggested that the semiconductor shortage could stretch into 2024 but not with the same intensity as earlier.

(Source: RBI MPC, Apr 2023)

Economy – World

The global economy appears poised for a gradual recovery from the devastating effects of the pandemic and of war in Ukraine. China is rebounding strongly following the reopening of its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to yield results, with inflation slowly going down. Although inflation has declined as central banks have raised interest rates and food and energy prices have come down, underlying price pressures are proving sticky, with labor markets tight in a number of economies. Side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities are coming into focus and fears of contagion have risen across the broader financial sector, including nonbank financial institutions. Policymakers are taking forceful actions to stabilize the banking system. Global growth will bottom out at 2.8% in 2023 before rising modestly to 3.0% in 2024. Global inflation will decrease, from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024.

(Source: IMF WEO, Apr 2023)

Commercial Vehicle Market

The Commercial vehicle market (MHCV and LCV) in India grew by 34.3% YoY in total industry volumes (TIV) to 962,468 units from 716,566 units. This growth was led by 49.2% growth in M&HCV segment which grew to 359,003 units from 240,577 units. The LCV segment grew by 26.8% to 603,465 units from 475,989 units in FY22.FY23 started with economic activity stabilizing as a result of the ebbing of the third wave of COVID-19 and the easing of restrictions. Urban demand expanded while weakness persisted in rural demand. Investment activity gained traction. Merchandise exports recorded double digit expansion for the fourteenth consecutive month in April. Non-oil non-gold imports also grew robustly on the back of improving domestic demand. In Q1FY23, CV Demand was higher compared to Q1FY22 driven by both MHCVs & LCVs. CNG prices saw a huge revision in Apr'23 and with Diesel prices being unchanged, the cost differential between them dropped and that started a decline in the CNG TIV which continued all of FY23.

In Q2FY23, urban consumption was lifted by discretionary spending ahead of the festival season and rural demand gradually improved. Investment demand also gained traction, as reflected in rising imports and domestic production of capital goods, steel consumption and cement production. Aggregate supply conditions also improved south-west monsoon rainfall above the long period average. Activity in industry and services sectors remained in expansion, especially the latter, as reflected in PMIs and other high frequency indicators. Demand for MHCVs and LCVs continued to increase compared to Q1FY23. RBI's enterprise surveys pointed to some easing of input cost and output price pressures across manufacturing, services and infrastructure firms; however, the pass-through of input costs to prices remained incomplete.

In Q3FY23, economic activity exhibited resilience supported by good progress on the north-east monsoon and above average reservoir levels. Activity in the industry and services sectors was in expansion mode with urban consumption being lifted by pent-up spending and discretionary expenditure during festival season. GST collections remained above ₹1.4 lakh Crore during the quarter. Overall demand for MHCVs continued to rise while & LCVs lagged.

Economic activity remained resilient in Q4. IIP expanded faster in Jan & Feb, indicative of the strength of industrial activity. In the services sector, domestic air passenger traffic, port freight traffic, e-way bills and toll collections posted healthy growth, while railway freight traffic registered a modest growth. The government's thrust on capital expenditure, above trend capacity utilization in manufacturing, double digit credit growth and the moderation in commodity prices bolstered manufacturing and investment activity. With BS VI – OBD II norms coming into effect in Apr'23 and OEMs indicating their intention to increase prices on account of OBD II and commodity impact, sales of MHCVs was boosted by pre-buying. Both MHCV & LCV TIVs were close to previous highs seen in FY19 with LCV growth lagging MHCV growth.

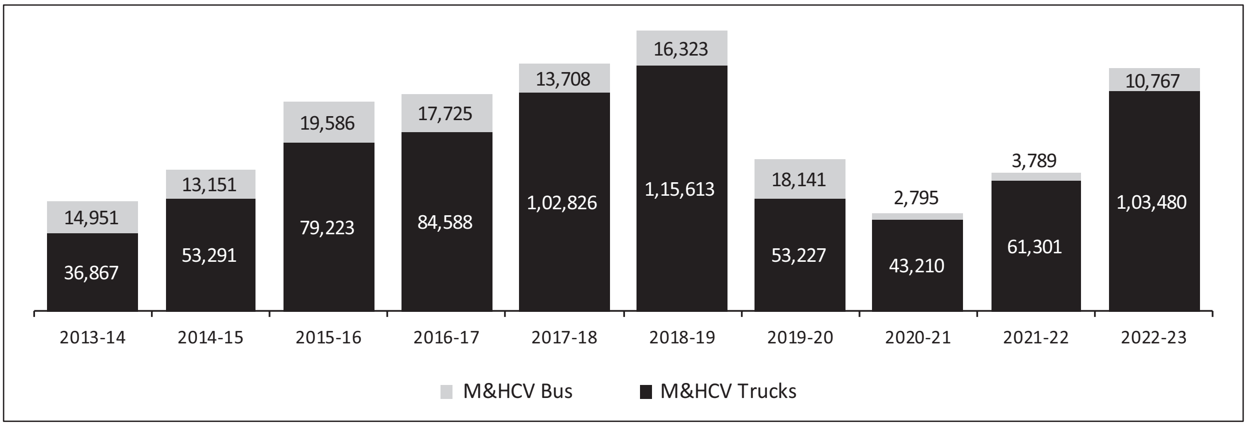
The LCV Trucks (0-7.5T Segment) grew by 22.6% while the LCV Bus segment also grew by 122.1% on a low base. CV exports degrew by 14.8% over last year primarily led by 55.1% drop in MHCV Trucks and 6.1% drop in LCV Trucks because of the ongoing global slowdown and currency weakness in key Indian export markets.

Segment	Domestic			Exports		
	2022-23	2021-22	Change	2022-23	2021-22	Change
M&HCV Buses	38,410	11,804	225.4%	10,543	6,499	62.2%
M&HCV Trucks	320,593	228,773	40.1%	11,524	25,682	-55.1%
M&HCV Total	359,003	240,577	49.2%	22,067	32,181	-31.4%
LCV Buses	44,315	19,957	122.1%	1,799	1,785	0.8%
LCV Trucks	559,150	456,032	22.6%	54,779	58,331	-6.1%
LCV Total	603,465	475,989	26.8%	56,578	60,116	-5.9%
CV Total	962,468	716,566	34.3%	78,645	92,297	-14.8%

Source: SIAM Flash Report March 2023

B. ASHOK LEYLAND – THE YEAR (2022-23) IN BRIEF

Your Company sold 114,247 M&HCVs in the domestic market (10,767 M&HCV Buses and 103,480 M&HCV Trucks including Defence vehicles), registering a growth of 75.5% over last year. LCV with sales of 66,669 vehicles grew by 27.7% over the previous year. Your Company was able to achieve market share of 31.8% in M&HCV Bus and Truck segment, an increase of 4.7% over last year.



M&HCV Truck segment

Industry sales of commercial vehicles saw steep growth in FY23 on the back of economic activity supported by Government interventions and infrastructure growth. Your Company's sale in M&HCV Trucks segment (excluding Defence vehicles) in India grew by 68.6% to 102,753 units in FY23, as compared to 60,947 units in FY22. Your Company enhanced its product portfolio in the ICV trucks segment with the Partner Super platform to cater to the boost in demand for ecommerce and last-mile delivery applications. Further, product variants for RMC applications and mining tippers helped your Company strengthen its presence in the Construction and Mining industry. Your Company pioneered in launching the 42Ton and 44Ton Tractor trailer models, along with the introduction of CNG variants in the Haulage segment, which were well received during the year.

M&HCV Bus segment

Industry sales of M&HCV Bus segment witnessed a multifold growth of 225.4% in FY23 compared to FY22, augmented by the reopening of schools and colleges along with the replenishment of fleets by State Transport Undertakings. Your Company's sale in M&HCV Bus segment (excluding Defence vehicles) in India grew by 256.7% to 10,764 units in FY23, as compared to 3,018 units in FY22.

International Operations

In International markets, during FY23, your Company made significant strides in line with our strategy to expand addressable market through geographical and product portfolio expansion. Your Company added distributors in 12 countries and launched 5 new products and their variants. It now has presence in over 25 countries in Africa for retail market operations. Your Company continued to strengthen its market leadership position in bus segment in SAARC and GCC. LCV products, both in RHD and LHD, launched in African and GCC markets have helped it make very good inroads in the Goods segment. Due to acute forex constraints and depreciation of local currencies in most of the markets (except GCC), where your Company is present. Last year saw industry MHCV exports from India dropping more than 30.0% over FY22. However, your Company sold 11,289 units in IO markets, an increase of 2.0% over previous year.

LCV segment

In FY23, 'Bada Dost Platform' has helped your Company reach highest ever sales of 66,669 nos since inception. In addition, for the first time in the commercial vehicle industry, your Company released a Limited-Edition variant of the BADA DOST. This Limited edition Bada Dost, came packed with many Industry first offerings such as touchscreen infotainment with Bluetooth, reverse parking, central locking etc. Your Company Market share in the SCV category stood healthy and strong at 19.6% despite economic challenges and semiconductor shortages. Your Company is on track to launch three new products in FY24 for the domestic market. Your Company continues to deliver best-in-industry SSI/CSI, lowest defect product, low warranty cost and high service retention through its network of 620 outlets, achieving a service market share of 71.0%. Bada Dost i2 was awarded Pick up of the Year 2022-23 and Bada Dost special edition was awarded the Marketing campaign of the year at the Global Awards for Retail Excellence presented by ET Now and World Leadership Congress.

Power Solutions Business

Your Company has achieved a growth of 9.0% in Power Solutions Business. Aggressive rural and industry development coupled with ongoing infrastructure expansion activities has favored Powergen and Industrial business segments. While there has been an establishment phase of BS CEV IV in Industrial segment, our market development measures in new applications with equipment manufacturers has favored the sustained growth opportunities. Positive trend backed by good monsoon in Agricultural segment has fueled the demand. Overall, your Company has achieved sales of 22,925 engines in FY23.

Defence

In FY23, your Company supplied 782 completely built-up units (CBUs) & was able to reduce dependency on VFJ Kits. Your Company is proud to execute 360 water bowsers in record time to Indian Army, expanded into DGBR (Directorate General Border Roads) with BAGH variants & Indian Navy with HMV 4x4 (RIV – Rapid Intervention Vehicle). Your Company also launched Jeet 4x4 in Light vehicles segment during Defence expo.

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 31.0% 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 were 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 seventh 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 fourth year in a row. Service function continues to improve penetration in service products. 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 in both MHCV & LCV segments to enhance accessibility of service across cities in India. Your Company added 80 new MHCV outlets & 73 new LCV outlets during the year, increasing the total count to 809 MHCV touch-points and 620 LCV touchpoints respectively. To keep up with the rising commercial vehicle operations in Northern and Eastern regions of India, and the booming mining pockets in Central regions of India, your Company opened more than half of the new MHCV 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 FY23 the Foundry division achieved the production of 98,117 MT (increase of 30.4% over last year) and sales of 94,972 MT (increase of 39.1% over last year).

Overall Summary

In summary, during FY23, your Company recorded total vehicle sales of 180,916 units in the domestic market and 11,289 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 FY24, driven by pick-up in construction and mining, and steady macro-economic growth. This growth comes from a higher base (strong rebound in the last 2 fiscals) and possibly cross the previous peak TIV seen in FY19. The healthy allocation for capital spending in the Union Budget 2023-24 is expected to lead to infrastructure development in segments like roads, metros, railways etc. which would in turn drive volumes for the CV industry. Furthermore, the increased focus on replacement of old vehicles and on green mobility also augurs well for the sector. The National Logistics Policy announced last year aims to improve the competitiveness of Indian goods in domestic and export markets by enabling smooth movement of goods across the country. This will provide an all-encompassing plan for the growth of the logistics industry as a whole. There are green shoots (enablers) for an emerging eMaaS business model for the logistics industry led by customer's strong desire to engage sustainable fleet solutions driven by decarbonisation ambitions. In ICVs growth is expected to be by the e-commerce sector with a progressive shift to more CNG-powered vehicles. In MHCVs the growth is primarily driven by movement of bulk goods & construction materials; which in-turn will fuel growth in Tippers & Tractor trailers. Also, migration from MAVs to higher GVW Tractors will happen in industries like cement, coal, iron ore etc. Growth for MHCV Buses is expected to be driven by opening up of offices, educational institutes and post-Covid revival in inter-city & mofussil segments. Further, scrappage of older government vehicles is expected to drive replacement demand from State Transport Undertakings STUs. Downside risks for FY24 growth could emerge from rising interest rates on the back of persisting inflation, commodity costs rising on the back of escalating geo-political tensions and volatile financial market conditions.

D. RISK MANAGEMENT

During the year, the overall CV industry witnessed robust growth in Total Industrial Volume and sales spurred by capital and infrastructure investments by Government of India, positive economic activity, 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 to overcome supply chain constraints, continued to focus on employee health, safety & well-being, worked closely to improve dealer & supplier sustainability, launched several new products to bridge product gaps and remain competitive, enhanced productivity and initiated cost optimization initiatives. These multi-dimensional efforts have supported your Company to remain agile and resilient to the ever-changing business environment while remaining focused on enhancing stakeholder value.

Your Company's well-established Enterprise Risk Management (ERM) framework has proactively supported in identifying the risks and opportunities and addressing them through focused mitigation plans that are measurable and monitored on a periodical basis. The ERM process of the organization is well integrated with the strategic business planning process.

The risk management process encompasses risk identification, impact assessment, effective mitigation plans, and risk reporting. The significant risks identified are tabled to the Risk Management Committee ("RMC") of the Board along with a mitigation plan.

The Company's ERM process is overseen through the RMC of the Board who ensure that the Company has an appropriate and effective ERM framework and apprise the Board on effectiveness of the ERM framework, significant enterprise risks identified, and the risk response implemented/planned.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

c. Effective use of resources and safeguarding assets.

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

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

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

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

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

F. INFORMATION SECURITY

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

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

During the year, your Company has undertaken adequate precautions and implemented relevant Information Security safeguards to ensure security of Information assets, along with cyber security assessment as part of continuous monitoring on hardware, software and cloud environment.

G. FINANCIAL REVIEW

Summary of Profit and Loss account is given below:

₹ Crores

Particulars	**2022-23**	**2021-22**	**Inc/ (Dec) %**
Sales	36,144.14	21,688.29	66.7
Other income	116.14	76.13	52.6
Total	**36,260.28**	**21,764.42**	**66.6**
Expenditure			
Material Cost	27,849.15	16,761.07	66.2
Employee benefits expenses	2,113.86	1,694.60	24.7
Finance cost	289.09	301.11	(4.0)
Depreciation and amortization	731.96	752.76	(2.8)
Other expenses	3,250.43	2,238.10	45.2
Total	**34,234.49**	**21,747.64**	**57.4**
Profit before exceptional items and tax	**2,025.79**	**16.78**	**11972.6**
Exceptional items	84.61	510.83	(83.4)
Profit before tax	**2,110.40**	**527.61**	**300.0**
Tax expense	730.29	(14.22)	5235.7
Profit after tax	**1,380.11**	**541.83**	**154.7**
Basic earnings per share (in ₹)	**4.70**	**1.85**	**154.7**

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

During FY '23, MHCV truck volumes of your Company has grown by 69% vs 40% growth registered by the Industry. This has led to the market share improvement of your Company by 5.5% over FY '22. Your Company's domestic truck market share has improved from 26.8% in FY '22 to 32.3% in FY '23. Your Company could also initiate price increase in every quarter during FY '23 there by recovering ~ 7.0% (point to point) in domestic MHCV trucks.

Though the volume growth in terms of percentage is high for Bus (184%), volumes are yet to catch up with the pre covid level. Total industry volumes were at 38410 nos. as against a volume of 40000 to 45000 buses in a normal year. Price increases during the year fetched ~ 5.0% (point to point) in domestic MHCV buses.

Your Company's LCV domestic volumes also grew by about 28% from 52222 nos to 66669 nos in FY '23. Price increases during the year fetched ~ 5.0%.

IO volumes for FY '23 were at 11289 nos. which is 2% higher than previous year (11014 nos).

Domestic spare parts revenue (including service products) grew by 24% from ₹ 1869 Crores in FY '22 to ₹ 2311 Crores.

Power solutions (engines) volumes grew by ~10% to 22925 units in FY '23.

Consequent to the volume increase as well as the price recoveries, Your Company's revenues grew by a significant 67% to ₹ 36144 Crores over previous year (21,688 Crores).

Costs:

Material Cost: Prices of commodities covering flat, proprietary & spring steel, forging, casting and aluminium went up in Q1 only to end up with a substantial reduction in Q2, Q3 & Q4 of FY '23. Tyre prices went up by 2.5% in Q2 and 2% in Q3 resulting in 4.5% increase for full year. There was no major movement in precious metal prices during the year.

Through various internal initiatives covering price negotiation, value engineering, turnover discounts and business share optimization, your Company managed to secure a reduction of about 0.6% during the year.

Staff Costs: Staff costs went up by 25% during FY '23 primarily due to the long-term incentives, increments and promotions sanctioned to the executives during the year. Increase also reflects the higher quantum of bonus provided in FY '23. Your Company also entered in to a settlement of wages for associates across Hosur and Ennore plants during FY '22 the full year impact of which is in FY '23.

Finance Costs was marginally lower by about 4% primarily due to better management of cash and working capital during the year. No fresh long-term loans were availed during the year. Cash generated from the business was used to repay the long term and short-term loans.

Depreciation for the year is at ₹ 731.96 crores which is marginally lower than last year.

Other expenses at ₹ 3250.43 crores is higher than last year by 45% reflecting the increase in volume and activity levels. All expenses covering delivery charges, production overheads, 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 2022-23.

Total Capital Employed by your Company increased by about 11% from ₹ 20,334 crores in FY 2021-22 to ₹ 22,592 Crores in FY 2022-23.

Total shareholder's funds as at March 31, 2023 stood at ₹ 8426 crores reflecting an increase of ₹ 1089 Crores primarily reflecting the profit for the year ₹ 1380 crores as reduced by dividend ₹ 294 Crores, other comprehensive loss - ₹ 2 Crores and securities premium on allotment of shares by exercising ESOP - ₹ 5 Crores.

Summary of the Balance sheet is given below:

₹ in Crores

Sources of Funds	**March 31, 2023**	**March 31, 2022**	**Inc / (Dec) %**
Shareholder's funds	8,425.80	7,336.90	14.8
Non-Current liabilities	3,093.03	3,449.59	(10.3)
Current liabilities	11,061.93	9,535.51	16.0
Liabilities directly associated with assets classified as held for sale	10.87	11.78	(7.7)
Total	**22,591.63**	**20,333.78**	**11.1**
Application of Funds			
Fixed Assets	4,796.80	5,088.23	(5.7)
Right of use asset	236.98	296.58	(20.1)
Intangible Assets	1,402.89	1,410.36	(0.5)
Investments	3,892.18	3,521.58	10.5
Loans and other non-current assets	559.16	509.89	9.7
Current assets	11,631.70	9,443.51	23.2
Assets classified as held for sale	71.92	63.63	13.0
Total	**22,591.63**	**20,333.78**	**11.1**

Capital expenditure and investments

During the year, your Company incurred ₹ 488 Crores towards capital expenditure predominantly towards:

a) Improving manufacturing capacity and capability covering Frame side member, LCV and MHCV Engines and cab paint

b) Meeting OBD II norms for MHCV and LCV as per regulation

c) new products covering Bada Dost, Project Vayu (CNG), and other alternate fuel vehicles (H2 IC Engine, Fuel Cell, BEV), Multi Axle Coach, Partner 9T to 11T, etc.,

d) Design, software upgradation, 33KV substation, and advanced engineering equipment

e) Unit replacement & maintenance capex for sustenance

During the year, Your Company has invested ₹ 16 Crores in Ashley Aviation, ₹ 4 Crores in Vishwa Bus and Coaches Limited. Thus, in all your Company has invested ₹ 20 Crores in cash in subsidiaries during the year.

During Feb '23 amount owed by Switch Mobility Automotive India Ltd (SMAL) towards the Business Transfer Agreement consideration with accrued interest and working capital adjustments for ₹ 301 Crores was converted into 8.5% Non-Cumulative, Non-Convertible redeemable preference shares of 3,01,00,000 shares of nominal and issue price of ₹ 100 each.

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

Your Company has considered a fair value gain of its equity investment in Hinduja Energy Limited for ₹ 65.67 Crores. There had also been other fair value / impairment changes of ₹ 16 Crores (adverse) during FY 2022-23.

Current assets as at March 31, 2023 were at ₹ 11,632 Crores when compared to previous year level of ₹ 9,444 Crores. The increase of ₹ 2,188 Crores was due to increase in inventory by ₹ 699 Crores (Finished goods inventory ₹ 497 Crores, raw material and components ₹ 157 Crores and stock in trade ₹ 45 crores) increase in investment in mutual fund units ₹ 1473 Crores, increase in receivables ₹ 966 Crores; decrease in bank balances, cash & cash equivalents ₹ 546 Crores (mainly due to redemption of deposit of ₹ 500 Crores during the year), decrease in other financial assets ₹ 414 Crores (deposits reduction (net) ₹ 100 Crores, slump sale consideration received ₹ 279 Crores), increase in other current assets ₹ 10 crores.

Liquidity

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

Details of significant changes in key financial ratios:

Ratios	Formula used	FY 2023	FY 2022
Debtors turnover	Revenue from operations / average debtors	10.10	7.32
Inventory turnover	COGS / average inventory	11.48	7.95
Interest coverage ratio	Earnings before interest and tax / interest expense	11.18	3.53
Current ratio	Current assets / current liabilities	1.05	0.99
Debt equity ratio – Net	Net Debt / equity	-	0.10
Operating profit margin (%)	EBITDA / Revenue from operations	8.11	4.59
Net profit margin (%)	PAT without exceptional items / revenue from operations	3.58	0.14
Return on net worth (%)	PAT without exceptional items / total equity	15.4	0.4

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, 2023 in comparison with year ended March 31, 2022.

Profitability

Domestic MHCV volumes started improving gradually quarter on quarter in FY 2022-23. Commodity costs primarily steel prices which went up in Q1 started receding in subsequent quarters. Further your Company could improve the price recovery on domestic MHCV and LCV quarter on quarter consequent to concerted price increases every quarter. Various initiatives covering product cost reductions, value engineering, overhead cost reduction actions were initiated and carried out during the year. Performance of other businesses covering exports, spare parts and power solutions (engines) was also good and supported your Company's performance throughout the year. All these augured well from the profitability point of view. All the above actions, enabled Your Company to post consistent improvement in operating profit (EBITDA) quarter on quarter. The operating profit went up from 4.4% of net sale revenue in Q1 to 6.5% in Q2, to 8.8% in Q3 to 11.0% in Q4 (Full year 8.1%).

The financial ratings of long term and short-term facilities / commercial paper as given by rating agencies viz., CARE and ICRA in FY '23 are given below. During Oct/Nov '22 both the rating agencies have revised the outlook from negative to Stable.

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

Your Company has serviced all its debt obligations on time.

Results of Operations

Your Company generated an after-tax profit from operations of ₹ 2563 Crores in FY 2022-23 which is higher than ₹ 1077 Crores in FY 2021-22. For the second consecutive year, in FY 2022-23, demand for Medium and heavy commercial vehicles went up quarter on quarter from 75,685 nos in Q1 to 117990 nos. in Q4. Consequently, working capital requirement was higher at the end of the year to meet the improvement in demand. Trade receivables and inventory went up by ₹ 968 Crores and ₹ 699 Crores respectively. This is partially offset by an increase in trade payables (₹ 295 Crores), non-current and current financial liabilities (₹ 338 Crores), Other current liabilities (₹ 227 Crores), other non-current and current provisions (₹ 361 Crores) and others (₹ 20 Crores). All these have resulted in increase in working capital by ₹ 426 Crores.

Cash outflow for acquisition of fixed assets for FY 2022-23 was at ₹ 488 crores as against ₹ 393 Crores last year reflecting an increase of about ₹ 95 Crores in FY 2022-23. ₹ 63 Crores proceeds have been received by way of surrender of leasehold land in FY 2022-23. FY 2022-23 indicates a net cash outflow of ₹ 1309 Crores representing ₹ 1440 crores of investments in mutual fund units, purchase of non-current investments (net) ₹ 13 Crores offset by net receipt of ₹ 100 Crores from deposits as well as interest receipts of ₹ 44 Crores during the year. Cash outflow of ₹ 940 crores from finance activities primarily reflect the repayment of non-current borrowings ₹ 376 Crores, interest & other payments of ₹ 277 Crores, dividend payment of ₹ 294 Crores offset by proceeds from current borrowings (net) ₹ 2 Crores and sale of equity shares ₹ 5 Crores.

Dividend

The Directors have recommended a dividend of ₹ 2.60 per share per equity share of Re. 1/- each for the financial year ended Mar '23.

Cash flow statement

₹ in Crores

Particulars	31.03.2023	31.03.2022
Profit from operations after tax	2562.55	1077.31
(Inc)/Dec in Net working capital	(426.54)	1569.62
Net cash (outflow) / inflow from operating activities	2136.01	2646.93
Payment for acquisition of assets – net	(488.35)	(393.32)
Cash inflow / (outflow) for investing activities	(1246.18)	(1065.59)
Cash inflow (outflow) from financing activities	(940.17)	(723.76)
Net cash inflow / (outflow)	**(538.69)**	**464.26**

The year ahead

FY'23 has been a remarkable year for Ashok Leyland. Not only your Company could significantly increase its market share, it did so with an acute focus on profitability and cash generation. FY23 performance has been truly wholesome – as your Company grew its market share in all major markets and also in all major product segments.

While inflation continued to affect every one of us during the year, your Company was able to more than neutralize through better price realization. This was backed by excellent response to our new product platforms – specifically AVTR in MHCV and Bada Dost in LCV segment. Also, your Company's consistent focus on expanding its network both in MHCV and LCV businesses immensely helped in increase its market penetration.

Auto Expo held at New Delhi in January this year provided a great opportunity to demonstrate the technological readiness for the future. Your Company displayed a wide range of alternative fuel products ranging from CNG and LNG, to Battery Electric, to Hydrogen ICE and even FECV – across our LCV, ICV and MDV platforms.

Going forward, your Company continue to remain optimistic about CV Demand as well its ability to beat the industry growth. FY '24 CV demand is likely to surpass the previous peak of FY '19. Your Company believes that the CV industry in FY24 will grow by 8-10% over FY23, supported by government infrastructure spending, strong replacement demand and a healthy traction from core industries like steel, cement and mining.

Crisil expects shift in demand from ICVs due to the non-availability of CNG related arbitraging opportunities, to medium duty commercial vehicles (16.2T to 25.0T). This will aid the growth of 14% - 16% in the Haulage segment. Vehicles with higher load carrying capacity are being preferred by Large Fleet Operators (LFOs) which will drive the demand for Multi Axle Vehicles (MAVs) which is set to grow by 16% - 18% in FY '24. Demand for tippers is set to grow by 10-12% aided by increase in construction, infrastructure and mining activities.

Bus sales is set to grow at a faster pace due to sharp increase in mobility post the pandemic. Further growth is possible with enforcement of scrappage policy as well as increasing urbanization and replacement of JNNURM buses bought in FY 10-13.

Tonnage addition is expected to further improve due to a better product mix, that is trend of higher growth in MAV and tractor trailers demand. Factors driving the long term MHCV sales will be a) improvement in industrial activity in the country, b) steady agricultural output and c) the governments focus on infrastructure.

The softening of commodity prices, particularly steel, has impacted the margins positively. Your Company expect this trend to continue through the current year, with an exception of Q1 where some upward trend of commodity prices is seen.

Your Company, even while growing market share has been raising prices, is backed by better acceptance of its AVTR product platform.

LCV - both Dost and Bada Dost – are gaining inroads and have been growing stronger by the day. Both these products hold immense potential for exports and are a perfect fit in our addressable markets.

After Market and power solution business continue to perform well.

Your Company is also putting greater efforts in reducing costs – both product costs as well as overheads. In fact, FY23 has been a record year in efficiency improvements. Many of the initiatives started last year covering value engineering, waste reduction, digitization of manual processes, other overhead reduction etc., have yielded good results and are continued in FY'24 with even a greater rigor.

Switch is very strategic to us and we are committed to develop Switch as a global electric vehicle company. We have established a name and a platform as a credible EV manufacturer. Our sales order pipeline is robust. We are in the process of finalizing our plans to utilize growth opportunities fully by placing high-quality cost-effective products across various customer segments. Switch is also expected to launch electric versions of Dost and Bada Dost vehicles within this fiscal year.

Your Company is confident and extremely well positioned as a pure play CV player with New gen products and talented people to reach new heights in terms of volume and profits 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 9,603.

Material developments in the Human Resource / Industrial Relations front have been detailed under the head "Human Resource" in the Board's Report.

ANNEXURE G TO THE BOARD'S REPORT

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

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

We, Shenu Agarwal, Managing Director and Chief Executive Officer and Gopal Mahadevan, 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 to the best of our knowledge and belief:

    1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    2. These statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The Financial Statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's Code of Conduct.

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

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

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

    2. That there are no significant changes in accounting policies during the year;

    3. That there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

Shenu Agarwal
Managing Director and
Chief Executive Officer

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer

Date : May 23, 2023
Place : Chennai

ANNEXURE H TO THE BOARD'S REPORT
SECRETARIAL AUDIT REPORT

To
The Members
ASHOK LEYLAND LIMITED
No. 1, Sardar Patel Road
Guindy, Chennai – 600 032

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. I further add due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some mis-statements or material non-compliances may not be detected even though the audit is properly planned and performed in accordance with the standards.

Signature:
Name of Company Secretary in Practice : B.CHANDRA

Place : Chennai ACS No.: 20879
Date : 23 May 2023 C P No.: 7859

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
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, 2023, 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, 2023, 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;

ANNEXURE H TO THE BOARD'S REPORT
SECRETARIAL AUDIT REPORT

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, substantially, complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Based on the minutes made available to us, we report that majority decision is carried through and that there were no dissenting votes from any Board member that was required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor, report deviations to the Board, take corrective actions and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year under review

a. Mr. Dheeraj G Hinduja was appointed as Executive Chairman (Whole Time) during 2021-22 and approval of Central Government pursuant to provisions of Schedule V Section I, Part I of Companies Act 2013 has been received.

b. Mr. Shenu Agarwal was appointed as Managing Director and CEO of the Company, with the approval of shareholders w.e.f 8.12.2022.

c. The Company has allotted 6,00,000 Equity shares to an eligible employee of the Company pursuant to exercise of options granted under the Ashok Leyland Employees Stock Option Plan 2016.

d. The Board of Directors of the Material subsidiary Viz., Hinduja Leyland Finance Limited had approved the Scheme of Merger by Absorption of Hinduja Leyland Finance Limited ("Transferor Company") into NXTDIGITAL Limited ("Transferee Company") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with rules framed thereunder ("Scheme"). The process of merger is under progress.

e. The Company was allotted 3,01,00,000, 8.5% Non-Cumulative Non-Convertible Redeemable Preference Shares (NCRPS) of ₹ 100/-each aggregating to ₹ 301 Crores by Switch Mobility Automotive Limited during the year in lieu of the consideration and dues payable on account of the transfer of EV business to Switch Mobility Automotive Limited on a slump sale basis in FY 2021-22.

Signature:
Name of Company Secretary in Practice : B.CHANDRA
ACS No.: 20879 C P No.: 7859
PEER REVIEW Certificate No 602/2019
UDIN: A020879E000355611

Place : Chennai
Date : 23 May 2023

ANNEXURE I TO THE BOARD'S REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
[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# U65993MH2008PLC384221
Hinduja House, 171, Dr. Annie Besant Road,
Worli, Mumbai,
Maharashtra 400018

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, we hereby report that in our opinion, the company has, during the audit period covering the financial ended 31st March, 2023 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, 2023 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) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

(viii) 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.

 (c) Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFC's dated 22nd October, 2021 and various Directors / Guidelines issued thereunder.

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

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 before schedule of the Board/ Committee 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. Notes on agenda which are circulated less than the specified period, the necessary compliances under the Act and Secretarial Standards on Board meeting are complied with.

During the year under review, directors have also participated in the board / committees' meetings through video conferencing, such meetings were properly convened and recorded in compliance with the provisions of Section 173(2) of the Companies Act read with Rule 3 & 4 of the Companies (Meetings of Board and its Powers) Rules, 2014. All decisions in the Board meetings are approved by Directors unanimously and recorded as part of the minutes.

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

We further report that during the audit period under review;

1) The Company at the meeting of the shareholders held on 2nd March, 2022 approved the amendment to Clause II of the Memorandum of Association of the Company and shifting of Registered office from State of Tamil Nadu to Maharashtra. The Company received an order dated 13th May, 2022 passed by Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai granting approval for the same.

   The Board took a note of the above said order on 17th May, 2022 and passed the resolution for shifting of registered office of the Company to Mumbai.

2) Pursuant to the provisions of Sections 230 to 232 and other applicable provisions if any of the Companies Act, 2013 read with applicable rules made thereunder, the Board of Directors at their meeting held on 25th November, 2022 accorded its approval for the draft Scheme of Merger of Hinduja Leyland Finance Limited with M/s. NXTDIGITAL Limited, which is subject to the consent / approval of the shareholders, National Company Law Tribunal and such other regulatory authorities as may be applicable.

3) The company issued and allotted 1,27,000 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	27.07.2022	10	44.40	4,000
2	18.11.2022	10	100.00	1,00,000
		10	44.40	21,000
3	09.02.2023	10	44.40	2,000
TOTAL				**1,27,000**

4) The company issued and allotted 6,50,00,000 equity shares of ₹ 10/- each at a Premium of ₹ 130/- each aggregating ₹ 910 Crores on a Preferential basis to Qualified Institutional Buyers on 13th October, 2022.

5) The Company issued and allotted 8,000 Secured Redeemable Non-Convertible Debentures of ₹ 1,00,000/- each aggregating ₹ 80 Crores. The Company redeemed the Redeemable Non-Convertible Debentures on various dates.

6) The Company transferred an amount of ₹ 5,07,70,758/- remaining unspent relating to ongoing projects to a separate bank account on 28th April, 2023, as required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

7) Mr. Kishore Kumar Lodha Chief Financial Officer of the Company resigned on 8th September, 2022.

8) On the recommendation of Nomination and Remuneration committee, the Board of Directors at their meeting held on 19th September, 2022 approved the appointment of Mr. Vikas Jain as Chief Financial officer of the Company with effect from 9th September, 2022.

9) The Board of Directors at their meeting held on 21st March, 2023 appointed Dr. Mandeep Maitra (DIN 06937451) as Additional Director in the category of an Independent Director for a period of five years with effect from 21st March, 2023. The said appointment was approved by the Shareholders at their Extra-ordinary General meeting held on 28th April, 2023.

10) Ms. Bhumika Batra (DIN 03502004) an Independent Director of the Company resigned from the Board with effect from 27th February, 2023. Consequent to her resignation, the Corporate Social Responsibility Committee was re-constituted on 10th May 2023 by inducting Dr. Mandeep Maitra Independent Director in compliance of Section 135 of the Companies Act, 2013. With respect to the Nomination and Remuneration committee, we were informed that the company had reconstituted the committee in line with the Regulation 19 of SEBI LODR at the Board meeting held on 18th May, 2023.

11) Mr. S. Nagarajan (DIN 00009236) Executive Vice Chairman of the company retired on 31st March, 2023 on completion of tenure of his office.

12) Pursuant to the RBI Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated 27th April, 2021, the shareholders at their Annual General Meeting held on 19th September, 2022 appointed M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as the Joint Statutory Auditors of the Company for a period of three years and M/s. Suresh Surana & Associates LLP, Chartered Accountants (Firm Registration No. 121750W/W100010) as Joint Statutory Auditors of the Company for a period of two years.

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

G. RAMACHANDRAN
Proprietor
FCS No.9687 CoP. No.3056
PR No.: 2968/2023
UDIN: F009687E000302067

Place : Chennai
Date : 18th May, 2023

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# U65993MH2008PLC384221
Hinduja House, 171, Dr. Annie Besant Road,
Worli, Mumbai,
Maharashtra 400018

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. Wherever 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
PR No.: 2968/2023
UDIN: F009687E000302067

Place : Chennai
Date : 18th May, 2023

ANNEXURE J TO THE BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FY 2022-23

1. Brief outline on CSR Policy of the Company:

   The Company has always been in the forefront of providing a dedicated approach to social development through various Corporate Social Responsibility initiatives. Recognizing the need and the tremendous opportunity to transform the lives, the Company is committed to work on interventions that lead to sustainable development of the society in areas which are of importance at a national level. The projects undertaken by the Company are within the broad framework of Schedule VII of the Companies Act, 2013 and as per the Company's CSR Policy. The Company's CSR policy 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	Nature of Directorship / Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Dheeraj G Hinduja	Executive Chairman / Chairman of the CSR Committee	2	2
2.	Ms. Manisha Girotra	Independent Director / Member of the CSR Committee	2	2
3.	Mr. Sanjay K Asher	Independent Director / Member of the CSR Committee	2	2
4.	Mr. Shenu Agarwal*	Managing Director & Chief Executive Officer / Member of the CSR Committee	-	-

**Appointed as a Member with effect from February 1, 2023.*

3. Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: https://www.ashokleyland.com/in/en/community

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.: During the FY 2021-22, the Company had contributed an amount of ₹ 2.02 Crores to M/s. Hinduja Foundation towards Diabetic Research and Water projects. The impact assessment study for this project has commenced in April 2023 and is expected to be completed during the FY 2023-24. Hence, a summary of the impact assessment study report will be provided in the Annual Report for the FY 2023-24.

5.

(a)	Average net profit of the Company as per sub-section (5) of Section 135:	₹ 5.50 Crores
(b)	Two percent of average net profit of the Company as per sub-section (5) of Section 135:	₹ 0.11 Crores
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:	Nil
(d)	Amount required to be set-off for the financial year, if any:	Nil
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]:	₹ 0.11 Crores

6.

(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):	₹ 14.40 Crores*
(b)	Amount spent in Administrative overheads:	₹ 0.76 Crores
(c)	Amount spent on Impact Assessment, if applicable:	Nil
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]:	₹ 15.16 Crores

**During the FY 2022-23, for the Road to School project, the Implementing Agency has utilised an amount of ₹ 0.85 Crores which was yet to be disbursed by the Company as at end of the year and hence the Company has recognised the CSR spend based on actual fund disbursed.*

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹ Crores)	Amount Unspent (in ₹ Crores)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
15.16	Nil	Nil	Nil	Nil	Nil

ANNEXURE J TO THE BOARD'S REPORT
ANNUAL REPORT ON CSR ACTIVITIES FOR THE FY 2022-23

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in ₹ Crores)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	0.11
(ii)	Total amount spent for the financial year	15.16
(iii)	Excess amount spent for the financial year [(ii)-(i)]	15.05
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	15.05

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹ Crores)	Date of transfer		
1.	FY 2019-20	-	-	-			-	-
2.	FY 2020-21	15.51	9.59	5.30	0.17	20.09.2021	4.29	-
3.	FY 2021-22	0.32	0.32	0.32	0.09	20.09.2022	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: Not applicable

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: Not applicable

May 23, 2023
Chennai

Dheeraj G Hinduja
Executive Chairman and
Chairman of CSR Committee

Shenu Agarwal
Managing Director &
Chief Executive Officer

ANNEXURE K TO THE BOARD'S REPORT

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Company	L34101TN1948PLC000105
2	Name of the Company	Ashok Leyland Limited
3	Year of incorporation	1948
4	Registered office address	No. 1, Sardar Patel Road, Guindy, Chennai – 600 032
5	Corporate address	No. 1, Sardar Patel Road, Guindy, Chennai – 600 032
6	E-mail	secretarial@ashokleyland.com
7	Telephone	044 – 2220 6000
8	Website	www.ashokleyland.com
9	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Ltd and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 293.61 Crores
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Alok Verma Head Corporate Strategy & ESG Telephone: 044 – 2220 6081 Email: Alok.Verma@ashokleyland.com
13	Reporting boundary	Standalone

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacture and sale of Medium and Heavy Commercial Vehicles	Automobile Manufacturing	75.8
2	Manufacture and sale of Light Commercial Vehicles	Automobile Manufacturing	12.0
3	Sale of Power Solution Systems	Automobile Manufacturing	1.8

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Trucks (M&HCV) Medium & Heavy Commercial Vehicles	29102	67.2
2	Bus (M&HCV) Medium & Heavy Commercial Vehicles	29109	8.6
3	LCV – Light Commercial Vehicles	29104	12.0

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	10	1	11
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan-India
International (No. of Countries)	38

*The number of international countries served by Ashok Leyland is for vehicles exported to its affiliates in the respective countries.

b. What is the contribution of exports as a percentage of the total turnover of the entity? –

The Company's contribution to exports is 5.16% of its total turnover.

c. A brief on types of customers

Ashok Leyland (AL) is India's second-largest medium and heavy commercial vehicle manufacturer. The Company manufactures and sells its product in light, medium, and heavy commercial vehicle segments which are used for the transportation of goods as well as people. Therefore, the Company caters to a variety of customer bases in the market both in India and abroad based on different categories such as fleet size, type of vehicles, purchase type, use of government/private, etc. The customers of AL cuts across all geographies of India and Abroad. AL has delivered more than 2 million vehicles to customers in the last two decades. This reflects the respect that the customers bestowed upon AL for its products and services. The Company sells its products catering to the needs of goods carriers, passenger transportation, power solutions, agricultural engines, industrial engines, and Defence.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	4,782	4,511	94%	271	6%
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total employees (D + E)**	4,782	4,511	94%	271	6%
	WORKERS					
4.	Permanent (F)	4,821	4,777	99%	44	1%
5.	Other than Permanent (G)*	18,111	17,579	97%	532	3%
6.	**Total workers (F + G)**	22,932	22,356	97%	576	3%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	13	13	100%	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	13	13	100%	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	63	63	100%	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	**Total differently abled workers (F + G)**	63	63	100%	0	0

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	1	9.09%
Key Management Personnel	3*	0	0

*In terms of Section 203 of the Companies Act, 2013

20 Turnover rate for permanent employees and workers
(Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.16%	11.51%	5.53%	6.06%	11.96%	6.43%	5.87%	7.09%	5.95%
Permanent Workers	9.78%	4.94%	9.66%	6.8%	0	6.8%	4.07%	0	4.07%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Sl. No	Name of the Holding / Subsidiary / Associate companies / Joint Ventures as at March 31, 2023 (A)	Indicate whether Holding / Subsidiary / Associate/ Joint Venture	% of shares held by listed entity (directly and through subsidiaries)
1	Hinduja Automotive Limited, U.K.	Holding	50.87
2	Albonair GmbH, Germany	Wholly owned subsidiary	100
3	Albonair(Taicang) Automotive Technology Co., Ltd, China	Wholly owned subsidiary (Step down)	100
4	Albonair (India) Private Limited	Wholly owned subsidiary	100
5	Ashok Leyland Nigeria Limited	Wholly owned subsidiary	100
6	Ashok Leyland (Chile), S.A.	Wholly owned subsidiary	100
7	Gulf Ashley Motor Limited	Subsidiary	93.15
8	Optare Plc., U.K.	Subsidiary	91.63
9	Optare UK Limited	Subsidiary (Step down)	91.63
10	Switch Mobility Limited, UK (formerly Optare Group Limited)	Subsidiary (Step down)	90.18
11	Switch Mobility Automotive Limited	Subsidiary (Step down)	90.18
12	OHM International Mobility Limited	Subsidiary (Step down)	72.15
13	OHM Global Mobility Private Limited	Subsidiary (Step down)	72.15
14	Optare Australia Pty Limited	Subsidiary (Step down)	90.18
15	Switch Mobility Europe S.l., Spain	Subsidiary (Step down)	90.18
16	Global TVS Bus Body Builders Limited	Subsidiary	66.67
17	Hinduja Tech Limited	Subsidiary	73.83
18	Hinduja Tech GmbH, Germany	Subsidiary (Step down)	73.83
19	Hinduja Tech Inc., USA	Subsidiary (Step down)	73.83
20	Hinduja Tech (Shanghai) Co., Limited	Subsidiary (Step down)	73.83
21	Hinduja Tech Canada Inc., Canada	Subsidiary (Step down)	73.83
22	Drive System Design Limited, UK	Subsidiary (Step down)	73.83
23	Drive System Design Inc., USA	Subsidiary (Step down)	73.83
24	Drive System Design s.r.o., Czech	Subsidiary (Step down)	73.83
25	Hinduja Tech Limited, U.K.	Subsidiary (Step down)	73.83
26	Hinduja Leyland Finance Limited	Subsidiary	60.42

Sl. No	Name of the Holding / Subsidiary / Associate companies / Joint Ventures as at March 31, 2023 (A)	Indicate whether Holding / Subsidiary / Associate/ Joint Venture	% of shares held by listed entity (directly and through subsidiaries)
27	Hinduja Housing Finance Limited	Subsidiary (Step down)	60.42
28	Hinduja Insurance Broking and Advisory Services Limited (under liquidation)	Subsidiary (Step down)	60.42
29	Gaadi Mandi Digital Platforms Limited	Subsidiary (Step down)	60.42
30	HLF Services Limited	Subsidiary	81.73
31	Ashley Aviation Limited	Wholly owned subsidiary	100.00
32	Ashok Leyland (UAE) LLC (including shareholding held in beneficial position)	Subsidiary	100.00
33	Mangalam Retail Services Limited	Associate	37.48
34	Lanka Ashok Leyland PLC	Associate	27.85
35	LLC Ashok Leyland Russia	Subsidiary (Step down)	100
36	Ashok Leyland West Africa SA	Subsidiary (Step down)	100
37	Ashok Leyland Defence Systems Limited	Associate	48.49
38	Rajalakshmi Wind Energy Limited	Associate (under Companies Act, 2013)	26.00
39	Ashley Alteams India Limited	Joint Venture	50.00
40	Ashok Leyland John Deere Construction Equipment Company Private Limited (Under liquidation process)	Joint Venture	4.85
41	Vishwa Buses and Coaches Limited	Wholly owned subsidiary	100.00
42	Gro Digital Platforms Limited	Subsidiary	80.21
43	Prathama Solar Connect Energy Private Limited	Associate (under Companies Act, 2013)	26.00
44	HR Vaigai Private Limited	Associate (under Companies Act, 2013)	26.00
45	ZeBeyond Limited, U.K.	Joint Venture of Subsidiary	36.91

Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)

Subsidiaries / Associates / Joint Ventures have their own business responsibility initiatives. However, there are instances where joint initiatives have been carried out.

VI. CSR Details

22. (i) Whether CSR is applicable as per Section 135 of the Companies Act, 2013: **Yes**
    (ii) Revenue from operations (in ₹): INR 36,144 Crores
    (iii) Net worth (in ₹): INR 8,426 Crores

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		Remarks
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Local Communities	No	0	0	-	0	0	-
Shareholders	Yes	13	0	-	20	0	-
Employees and workers	Yes	19	0	-	73	7	Long term policy change
Customers	Yes	1041	179	-	780	96	Reach us and secretarial Or directly to MD AL India official twitter account

*The policies guiding Ashok Leyland Limited's conduct with all its stakeholders are available on the Company's website. The link to the policies is available at: https://www.ashokleyland.com/in/en/investors/investor-information/policies

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, and approach to adapt or mitigate the risk along with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	The rationale for identifying the risk/opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity
1	Product Safety, Quality, and Innovation	Opportunity	Leveraging innovation to ensure all products of the Company are safe and match the desired quality standards contributes to enhanced brand value and customer trust		- Reduced product recalls
2	Customer Relationships and Satisfaction	Risk	Failing to offer products and services that satisfy customer's expectations may result in lengthy and costly litigation, diminished trust with customers, and lower sales	- Providing transparent information and fair advice on the Company's products and services to its customers - Improving relationships held with customers and the manner in which the Company caters to the needs/preferences of the customer base, through initiatives and platforms such as PRISM 2.0, LEAD, SELECT, and i-alert. - With the help of a robust aftersales service which includes mediums such as a 24x7 call center toll-free no, website, social media, etc., the Company can pay attention to customers. A dedicated complaint management system is also in place to help monitor as well as facilitate swift resolution of customer complaints	- Lower revenue - Financial obligation due to litigation
3	Business Growth and Profitability	Risk	Inability to absorb losses owing to unforeseen contingencies and sudden external shocks can lead to dire consequences impacting the viability of the business	Implementing sound ESG policies, systems and processes to build a sustainable business model that can weather disturbances	- Financial losses - Depletion of reserves
4	Regulatory Compliance	Risk	Violating regulatory compliance often results in legal punishment, including fines and penalties	- Creating a strong ethical organisational culture with a focus on transparency and compliance - Regularly carrying out risk assessments to identify areas of potential exposure to compliance-related risks	- Fines and Penalties
5	Road and Occupational Safety	Opportunity	Adopting health and wellbeing measures may lead to enhanced employee productivity in turn reducing the employee attrition rate. Road safety awareness programmes enable the community and drivers to follow the safety rules.		- Lower talent acquisition costs - Lower injury rate

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	The rationale for identifying the risk/opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity
6	Inclusive growth with community development	Opportunity	Ensuring goodwill with local, and marginalised communities through the community development programmes that can validate the Company's social license to operate		Increase in revenue share from socially conscious customers
7	Sustainable supply chain and sourcing	Opportunity	Ensuring a green, local, and socially sound supply chain can contribute to stability and diversity while also creating local employment		- Lower raw material procurement cost - Reduction in transportation costs
8	Recruitment and talent retention	Opportunity	Initiating employee benefit plans, offering competitive pay packages, and focusing on a diverse workforce can help retain the right talent and bring about a diverse perspective during the decision-making process		Reduced recruitment cost
9	Grievance Mechanism	Opportunity	Establishing a robust grievance redressal mechanism ensures compliance with rules and regulations, therefore, building the trust of the customers, investors, and employees		- Legal fines and penalties - Dissolution of business
10	Cybersecurity	Risk	Lack of adequate data security and privacy systems can lead to economic losses, reputational losses, and loss of customer confidence in the Company	- Implementing sound information security systems and policies to manage customers' sensitive data. - The Company has an Information Security/Cybersecurity policy in place that is available to all employees in the organisation.	- Regulatory fine and penalty - Legal fees in case of customer lawsuits - Loss of customers
11	Resource optimisation and operational eco-efficiency	Opportunity	With an aim to optimise resource utilisation, the Company can not only improve its operational efficiency but also attract environmentally conscious customers		- Lower Operational Cost - Increase in revenue share from environmentally conscious customers
12	Human Rights	Risk	Non-adherence to human rights principles may lead to reputational damage and penalties	Ensuring compliance with international and national human rights standards within the organisation and its value chain	- Regulatory fine and penalty - Reduced access to capital from socially conscious investors - Reduced costs relating to talent acquisition
13	Anti-bribery and corruption	Risk	The Company can be exposed to legal fines, penalties, damaged reputation, business disruption, and erosion of trust in the case of non-adherence to ethical business practices	- Implementing internal controls to strengthen compliance with applicable laws - Devising a plan to conduct awareness programmes and training for internal stakeholders on ethical practices - Instituting an effective whistle-blower and grievance redressal mechanism	- Legal fines and penalties - Dissolution of business

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	The rationale for identifying the risk/opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity
14	Training and Education	Opportunity	Ensuring opportunities are provided to employees that can upgrade their skills and attain the qualifications required in order to achieve career progression resulting in a higher employee retention rate		Reduced costs relating to talent acquisition
15	Labour Management Relationship	Risk	Promoting freedom of association and collective bargaining agreements for its workers and employees resulting in employee and worker satisfaction	- Supporting employees and workers to be a part of independent unions - Initiating engagements with union leaders to promote worker and employee wellness	Reduced costs relating to talent acquisition
16	Anti-competitive practices	Risk	The Company can be exposed to legal fines, penalties, damaged reputation, business disruption, and erosion of trust in the case of non-adherence to ethical business practices	- Implementing internal controls to strengthen compliance with applicable laws - Devising a plan to conduct awareness programmes and training to internal stakeholders on ethical practices - Instituting an effective whistle-blower and grievance redressal	- Legal fines and penalties - Dissolution of business

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	Policies are uploaded on the website of the Company at www.ashokleyland.com and on the Company's intranet portal.								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Yes. Policies are developed considering relevant national acts like the Factories Act, of 1948, the Companies Act of 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations of 2015, and various other Statutes which refers to National / International codes, certifications, labels and standards								
5	Specific commitments, goals, and targets set by the entity with defined timelines, if any.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	Ashok Leyland has committed to the ESG-related goals and targets in the current FY, i.e., FY 2022-23. Hence, the performance will be monitored in the following FY.								

	Governance, leadership and oversight	
7.	**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements** On the product and technology front, which is our passion, we are making good progress in alternate propulsion development. At the Auto Expo held in Delhi in January this year, a wide range of alternate fuel driven products were displayed across our LCV, ICV and MDV platforms. This covered CNG, LNG, Hydrogen, Fuel Cell, and Battery Electric options. Switch Mobility, through which we are positioning the electric vehicles, has gained considerable momentum in FY23, and has already made a mark in the industry. The electric LCV is slated for introduction later this year. Recognising the importance of building a talent pipeline in an environment of homogenous culture, our HR team was on an overdrive launching several initiatives and cascading them across the board. These initiatives include defining the organisation purpose as "Transforming Lives & Businesses through Leadership in Mobility" and driving a new culture throughout the organisation. Preparing future leaders saw the introduction of a new AL-Young Talent Program and the AL-Emerging Leaders Program. Another significant milestone in our gender diversity pathway is the establishing of an all women-run engine assembly line in our Hosur plant. I would like to take this opportunity to present some of the key initiatives in other areas that are relevant to our business. Our plants have won 13 CII-Environment, Health, and Safety Excellence Awards. Use of renewable solar power is at the top of the agenda. Renewable energy now constitutes 57% of our total requirement. Furthermore, your Company believes sustainability is key to its overall strategy and is consciously moving from compliance to competitiveness in the overall ESG approach. And as part of a holistic approach to sustainability, your Company has developed an ESG vision: "To create and lead sustainable practices, across Environment, Social and Governance initiatives, delivering outstanding stakeholder value." This vision has been further operationalized into 10 Focus areas deep diving individually in E, S, and G areas. Moving forward, your Company is also preparing for some major commitments around becoming carbon-neutral in its operations in the medium term and becoming Net Zero in the long term. Under CSR, our Road to School programme (RTS) is making strides and the coverage has increased from 98,000 to over 150,000 children. During the year, the RTS initiative has been extended to J&K and Assam and is gaining ground gradually. RTS has also received awards from the Tamil Nadu Government, ASSOCHAM, FICCI and SIAM. The Road to Livelihood programme, which was introduced this year for Classes 9-12 has been well received by parents and the community. Your Company is determined to expand this further, not just impacting a greater number of students but also widening its reach to many more states.	
8.	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Mr. Alok Verma, Head of Corporate Strategy & ESG
9.	**Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.**	Yes, The Board has constituted the Environmental, Social and Governance Committee ('ESG Committee') to guide and 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 are as below: - Oversee, review and assess whether the Company's strategy, policy and initiatives are in line with the macro developments happening in the ESG domain. - Integrate the relevant initiatives on matters relating to Environmental, Health and Safety, Corporate Social Responsibility, Sustainability, and other public policy matters, activities, and proposals related to ESG with the other Board Committees. - Review material ESG aspects for the Company and oversee the development and implementation of the Management's targets, standards, and metrics to assess and track the Company's ESG performance. - Review and approve the Company's ESG public disclosures and oversee the Company's engagement with the stakeholders on ESG issues and also review stakeholder feedback from the ESG disclosures. - Review monitoring processes for tracking ESG performance. - Monitor and review stakeholder perception of the Company around ESG topics (including ESG ratings by leading agencies) - Review and ensure compliance with regulatory ESG disclosures as required and amended from time to time (such as BRSR).

10.	**Details of Review of NGRBCs by the Company:**																		
	Subject for Review	**Indicate whether review was undertaken by the Director/Committee of the Board/ Any other Committee**									**Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)**								
		P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
	Performance against the above policies and follow-up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Policies are reviewed periodically or on a need basis from time to time and necessary updates are made wherever required								
	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Annual basis								
11.	**Has the entity carried out an independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency**										**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
											No*								

*Most of the policies of the Company are reviewed internally on a periodic basis. No review is conducted through external partners.

12. If answer to question (1) above is No i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
The entity does not consider the principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA								
It is planned to be done in the next financial year (Yes/No)	NA								
Any other reason (please specify)	NA								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

	Essential Indicators			
1.	**Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**			
	Segment	**Total number of training and awareness programmes held**	**Topics / principles covered under the training and its impact**	**%age of persons in respective category covered by the awareness programmes**
	Board of Directors	7	Compliance Management, Environment, Social, Governance, Human Resource, Social Well-Being, Customer Satisfaction	97%
	Key Managerial personnel including the leadership team	338 (Including digital modules)	Culture workshop Leadership training Functional training such as TQBM, BBS, Products and sales	80.4%
	Employees other than BoD and KMPs / Leadership team	3,766 (Including digital modules)	Training programmes covering Behavioral, emerging skills, functional competencies, technical training	99.3%
	Workers	95	Upskilling of the associates on SG operations, Tie-up with the Institute of Indian Foundrymen for Technical Training, Behaviour Based Training on safety, EHS, MGI, Basic of hand tools, JH Training, BSVI Awareness, Department specific skill upgradation, Quality Initiative, Basic of TQBM, Skill Development Program, POSH, Safety Awareness, Health Awareness Hands-on Training of Assembly and Machining. Foundry Technology, Health Awareness Cognitive Skills, Dexterity Training	97.5%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding	-	-	-	-	-
fee	-	-	-	-	-
Non-Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

   Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   Ashok Leyland has anti-corruption and anti-bribery covered as part of employment terms and conditions of an employee. The policy is available to all employees on the Company Intranet.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23	**FY 2021-22**
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23		**FY 2021-22**	
	Number	**Remarks**	**Number**	**Remarks**
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Not Applicable	Nil	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Not Applicable	Nil	Not Applicable

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   Not Applicable

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	**Topics / principles covered under the training**	**%age of value chain partners covered (by value of business done with such partners) under the awareness programmes**
Not Available	Not Available	0

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes. The Company receives disclosures/declarations from its Board members regarding their Directorship/Committee/shareholding on an annual basis. The Company ensures that all requisite approvals are in place as required under various statutes before transacting with such entities/individuals. The interested Directors do not participate in agenda items at the Board/Committee Meetings in which they are deemed to be interested.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	1.11%	1.70%	Alternate fuel vehicles developed & showcased in Auto Expo 2023 – CNG, LNG, H2 ICE, EV, FCEV – Leading the path towards green economy.
Capex	0.08%	0.05%	Ashok Leyland has developed Vehicle models with CNG, LNG fuelled engines. The company is also investing to develop Hydrogen IC engine towards sustainable mobility

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

No

b. **If yes, what percentage of inputs were sourced sustainably?**

Ashok Leyland currently does not have a sustainable sourcing policy and does not monitor materials that are sourced sustainably. However, the general purchases agreement covers the ESG-related requirements and the same is signed off.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Currently, there are no processes in place to safely reclaim products for reusing, recycling and disposing at the end of life.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, Extended Producer Responsibility (EPR) registration has been done in the Central Pollution Control Board (CPCB) Portal. Waste collection plan is in alignment with EPR plan and would be submitted shortly as per the mandate given by CPCB by Oct 23. Recycling certificates from vendors have been aligned towards filing.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
Not conducted LCA for any products					

2. **If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/ services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk/ concern	Actions Taken
Not conducted LCA for any products		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Steel	Not Available	Not Available
Aluminium	Not Available	Not Available

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2022-23			FY 2021-22		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

*NA – Not Available

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Available	Not Available

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	4,511	4,511	100%	4,511	100%	0	0	223	5%	0	0
Female	271	271	100%	271	100%	28	10%	0	0	0	0
Total	4,782	4,782	100%	4,782	100%	28	1%	223	5%	0	0
Other than Permanent Employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

Note:
All permanent employees are covered by well-being measures such as health insurance, accident insurance, maternity benefits (if applicable), paternity benefits (if applicable), day care facilities (if applicable).

b. **Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	4,777	4,777	100%	4,777	100%	0	0	0	0	0	0
Female	44	44	100%	44	100%	44	100%	0	0	44	100%
Total	4,821	4,821	100%	4,821	100%	44	1%	0	0	44	1%
Other than Permanent Workers											
Male	17,579	17,579	100%	17,579	100%	0	0	0	0	0	0
Female	532	532	100%	532	100%	532	100%	0	0	532	100%
Total	18,111	18,111	100%	18,111	100%	532	3%	0	0	532	3%

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	as per statute as applicable	100%	Y	100%	100%	Y
Others – please specify	0	0	NA	0	0	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the offices of Ashok Leyland provide infrastructure support for differently abled individuals. The Company has thoughtfully taken concrete actions of all its plant units with improved facilities for managing mobility needs. Additional support for individuals with disabilities is available at all premises/offices/units on need basis. The Company encourages inputs from employees, workers and visitors in improving accessibility for creating an inclusive workplace for each individual. A feasibility study is planned to understand the requirements of such cases unit-wise.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy?

Yes, Ashok Leyland has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. The policy is part of the general terms and conditions of employment in the Company Intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	100%	92%	NA	NA
Female	100%	95%	NA	NA
Total	100%	94%	NA	NA

*NA-Not Available

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes. Ashok Leyland has ensured to maintain an effective complaint redressal mechanism to ensure that any concerns are addressed promptly and effectively, The Company has a well-established PoSH policy and related governance to redress grievances registered by all Employees. In consonance with the letter and spirit of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 directed at ensuring that a workplace is safe and free of harassment and discrimination. The Policy has been adopted by the Company in the following way:

- Lays down certain protocols to be followed with due regard to respect the dignity of all co-workers
- Sets out a mechanism for redressal of complaints of workplace harassment against women
- Prescribes that punishment meted out should be commensurate with the gravity of any offence committed and also lay down a preventive framework with zero-tolerance mandate.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employee/ workers in the respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in the respective category (C)	No. of employees / workers in the respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	NA	NA	NA	NA	NA	NA
- Male	NA	NA	NA	NA	NA	NA
- Female	NA	NA	NA	NA	NA	NA
Total Permanent Workers	**4,821**	**4,821**	**100%**	**5,020**	**5,020**	**100%**
- Male	4,777	4,777	100%	4,993	4,993	100%
- Female	44	44	100%	27	27	100%

*NA-Not Available

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and Safety Measures		On Skills upgradation		Total (D)	On Health and Safety Measures		On Skills upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	4,511	1,294	29%	4,011	89%	4,760	1,572	33%	4,309	91%
Female	271	223	82%	255	94%	311	154	50%	292	94%
Total	4,782	1,517	32%	4,266	89%	5,071	1,726	34%	4,601	91%
Workers										
Male	4,777	4,777	100%	4,060	85%	4,993	4,993	100%	3,583	72%
Female	44	44	100%	44	100%	27	27	100%	27	100%
Total	4,821	4,821	100%	4,104	85%	5,020	5,020	100%	3,610	72%

*Training data given for permanent workers.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	No. (C)	Total (D)	% (C/A)
Employees						
Male	4,511	4,511	100%	4,760	4,760	100%
Female	271	271	100%	311	311	100%
Total	4,782	4,782	100%	5,071	5,071	100%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

*NA-Not Applicable

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. Ashok Leyland has adopted and implemented the ISO 45001 by integrating all critical business activities and applying principles and processes in order to provide safe and healthy workplaces at all its manufacturing sites. The Company further takes measures to prevent work-related injury and ill health, minimizes risks and continuously improve safety performance.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

All the manufacturing facilities are certified with ISO 45001 OHS management system. Accordingly, the facilities adopt the processes of Hazard Identification and Risk Assessment (HIRA) techniques for routine activities and Job Safety Analysis (JSA) for non-routine activities. The Company regularly conducts audits and inspections of its occupational health and safety management systems. The team at the site has individually set an internal review mechanism to check performance and take control measures. The EHS management system gets audited from time to time, and leadership reviews are conducted on a monthly basis. The Company has a well-defined EHS policy and EHS performance is reviewed and governed by the EHS council.

c. **Whether you have processes for workers to report work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, Ashok Leyland has a process of involving workers as a part of the Safety Committee to proactively identify and address potential risks. The Company fosters a culture in which empowers them to report work-related Hazards in a place where safety-related incidents are reported and these include but are not limited to injury-related incidents, safety incidents, near misses, mechanical risks, road accidents, etc. The workers are included in the process of corrective/preventive action and also during implementation of the same. They are also given the opportunity to formally give feedback and suggestions on all safety related concerns.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, all employees and other than permanent employees have access to non-occupational medical and healthcare services and medical insurance facilities.

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked)	Employees	0.06	0.02
	Workers	0.05	0.04
Total recordable work-related injuries	Employees	3	1
	Workers	20	13
No. of fatalities	Employees	0	0
	Workers	1	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	2	0

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company has established a well-defined EHS policy and EHS management system with a robust monitoring plan, operating with a multi-year approach, to ensure the effective implementation of the EHS policy. This system is designed according to the Plan-Do-Check-Act cycle of continual improvement. This approach includes the undertaking of assessments of various risks such as workplace risks, fire risks, process safety, ergonomics machinery risk, occupational health, and chemical risks, and so on and so forth. Ashok Leyland has also institutionalised an EHS system which is adopted from the global safety processes and policies. All plants and offices are ISO 14001, and ISO 45001 certified. Ashok Leyland conducts a monthly review of the EHS performance and the findings from this review are discussed during the country EHS committee meeting under the able leadership of MD and other senior leadership of Ashok Leyland.

13. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	18	0	-	0	0	-
Health & Safety	1	0	-	0	0	-

14. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of plants
Working Conditions	100% of plants

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

For any safety-related incidents, proper investigation and detailed 6M (Man, Machine, Method, Material, Measurement, and Mother Nature) and Why-Why analysis are done to identify the root cause and appropriate corrective actions implemented in all applicable areas. The Hazard Identification and Risk Assessment (HIRA) is carried out on various activities and control measures are planned to mitigate risks according to the hierarchy of controls. As per the hierarchy of controls, the elimination of hazards is the most effective control and followed by the Substitution of hazards, Engineering Controls, Administrative Controls, and Use of Personal Protective Equipment (PPE). Further, the action taken report is submitted to the concerned stakeholder.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

   Yes, Ashok Leyland extends compensatory packages to employees as well as workers in the event of death.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   Business agreements, as applicable, entered with the value chain partners covers the clause relating to deduction, deposit and payment of statutory dues.

3. **Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	0	0	0
Workers	2	0	0	0

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   Yes, all retired executives who were on the Ashok Leyland permanent payroll and their spouses are covered under Retired Executive Health Insurance.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	21%
Working Conditions	21%

6. **Provide details of any corrective actions taken or underway to address significant risks /concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   No significant risks were observed through assessments conducted on health and safety practices and the working condition of the supply chain associated with the Company.

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Ashok Leyland has identified the key internal and external stakeholders through peer review and analysis of stakeholder groups that could have a potential impact or influence on its business operations and the Company's impact on them. Ashok Leyland commits to actively engage with the stakeholders to understand their key expectations and develop strategies to address them.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group**

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Employees	No	• Monthly and quarterly meet • Personal review and visits • Surveys • Training • Annual day • Events	• Monthly • Quarterly • Annual • Need-based	• Better prospects • Safe work environment • Skill management • Knowledge management • Fair remuneration • Employee volunteering for CSR activities

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Suppliers	Yes	• Suppliers meet • Tech days • Mutual visits • Need-based meetings with leadership team • Company events	• Monthly • Annual • Need-based	• Long-term business commitments • Economic scenario with respect to commercial vehicle industry • Scheduling • Supplier development *Ease of doing business for MSME suppliers through portal
Local Communities	Yes	• Community welfare programmes • Project assessment reviews	• Need-based • Periodic	• Community safety and development • Engagement and communication
Customers (Institutional and Retail)	No	• Surveys • Company events • Initiatives like rewards for purchases	• Need-based • Periodic	• Delivery • Technical communication • Aftersales service • Quality of service
Government and Regulatory Authorities	No	• One-to-one meetings • Events and conferences	• Need-based • Periodic	• Compliance • Tax payment
Channel Partners	No	• Monthly and Quarterly meet • Personal reviews and visits • Surveys • Training • Events – dealer conference	• Monthly • Quarterly • Annual • Need-based	• Business targets, commitment, and development plan • Training and development • Customer engagement and satisfaction

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Stakeholder Relationship Committee of the Company ensures the respect of and is responsible towards all its investors. The Company has necessary procedures in place to ensure compliance with all relevant regulations. The compliance report underlining the Code of Conduct (CoC) is reviewed by the senior management group of the organisation on a periodic basis, provides feedback on matters relating to Environmental, Health and Safety, Corporate Social Responsibility, Sustainability, and other public policy matters, activities, and proposals related to ESG.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.**

   The Company conducted its Materiality Assessment in consultation with its key identified stakeholder groups. The Company engaged with its stakeholder groups (both internal and external stakeholders) through one-on-one interaction and gathered their inputs to determine and prioritize the sustainability issues that matter most to the business operations of Ashok Leyland.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   As part of Jal Jeevan and Road to School initiatives, the Company engages with underserved & marginalized communities which falls below poverty line, landless laborer and communities in remote hilly locations

Initiatives / Intervention	Project Description	Beneficiaries Engaged	Location	Remarks
Water Initiative	Spring Shed water management: Through the rejuvenation of Springs, sustainable drinking water is recharged for community utilization. Afforestation efforts to improve the vegetation cover Sustainable water management: The project aims to provide and create water resources for the community through sustainable water conservation techniques.	Beneficiaries of this project belongs to agriculture and agricultural labor.	- Spring shed Management is implemented in Nainital District, Uttarakhand. - Sustainable Water Management Project is implemented in 11 villages of Alwar district, Rajasthan. - As part of Spring water recharge program, afforestation drive done to improve the vegetation cover.	In all our interventions more than 80% of the beneficiaries belong to the underserved and marginalized communities.

Initiatives / Intervention	Project Description	Beneficiaries Engaged	Location	Remarks
Education: Road to School	Providing Foundational Literacy & numeracy, Awareness on wellness, health & hygiene, social & emotional development for Government School Students. Strengthening Road to School Community and SMC for School Development.	Beneficiaries are Government School students from interior rural villages.	Tamil Nadu, Jammu & Kashmir, Rajasthan and Assam	
Education: Road to Livelihood	To prepare adolescent students from rural areas for life beyond school with focus on employability skills and career guidance for students from High and Higher Secondary Schools	Beneficiaries are Government School students from interior rural villages.	Tamil Nadu	
Supply Chain : MSME suppliers	Portal for supporting the MSME smooth settlement of payment dues	52 Vendors who are registered as MSME and supplying components to Ashok Leyland	PAN India	

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. employees / workers covered (B)	% (B / A)	Total (C)	No. employees / workers covered (D)	% (D/C)
Employees						
Permanent	4,782	4,085	85%	5,071	4,293	84%
Other than permanent	0	0	0	0	0	0
Total Employees	**4,782**	**4,085**	**85%**	**5,071**	**4,293**	**84%**
Workers						
Permanent	4,821	4,821	100%	5,020	5,020	100%
Other than permanent	18,111	18,111	100%	16,236	16,236	100%
Total Workers	**22,932**	**22,932**	**100%**	**21,256**	**21,256**	**100%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**4,782**	0	0	**4,782**	**100%**	**5,071**	0	0	**5,071**	**100%**
Male	4,511	0	0	4,511	100%	4,760	0	0	4,760	100%
Female	271	0	0	271	100%	311	0	0	311	100%
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	**4,821**	0	0	**4,821**	**100%**	**5,020**	-	-	**5,020**	**100%**
Male	4,777	0	0	4,777	100%	4,993	-	-	4,993	100%
Female	44	0	0	44	100%	27	-	-	27	100%
Other than Permanent	18,111	10,760	59%	7,351	41%	16,236	9,628	59%	6,608	41%
Male	17,579	10,547	60%	7,032	40%	15,664	9,399	60%	6,265	40%
Female	532	213	40%	319	60%	572	229	40%	343	60%

Note: The Company is currently in the process of setting up a mechanism to track its other than permanent employees based on gender.

3. **Details of remuneration/salary/wages, in the following format:**

Please refer to "Annexure B – Particulars of Employees" of Board's report in the Annual Report for FY 2022-23.

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, Ashok Leyland has a well-established PoSH Policy and related governance framework to address all the grievances registered by the employees of AL. All employees and workers of the Company are well sensitized and educated on the importance of such mechanism and the process of its working.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Ashok Leyland has a well-defined process devised in the organisation where there are awareness drives conducted on sexual harassment to prevent and deter its occurrence in the workplace. AL has also constituted an internal committee named 'Internal Complaints Committee' (ICC) which has the responsibility to address, investigate and arrive at a decision on all complaints of sexual harassment that it receives directly or indirectly.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	2	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights-related issues	0	0	-	0	0	-

*Union Charters or demands are not captured as a complaint as it is having a separate resolution mechanism through collective bargaining in place.

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Ashok Leyland has a well-defined mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases and it is covered as part of general terms and conditions of employment in the Company's Intranet. This is applicable to all employees.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, in business agreements and contracts where relevant.

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not Applicable, as Ashok Leyland conducts reviews on an annual basis and collects declarations from all employees and workers. Additionally, awareness programs on the global disciplinary frameworks are conducted for all employees and workers.

Leadership Indicators

1. **Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

NIL. The Company did not receive any grievances/complaints regarding Human Rights principles and guidelines.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

Yes, Ashok Leyland has conducted human rights due-diligence as part of long-term settlement term of welfare.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, the offices of Ashok Leyland are accessible to differently abled visitors and other areas based on need.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NA
Discrimination at workplace	NA
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	NA
Others – please specify	NA

*NA-Not Available

5. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

Not Applicable

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) - **000' GJ**	1,128.94	887.4
Total fuel consumption (B) - **000' GJ**	492.59	367.76
Energy consumption through other sources (c) **- 000' GJ**	0	0
Total energy consumption (A+B+C) - **000' GJ**	**1,621.53**	**1,255.00**
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) – **GJ/INR Crore**	**44.86***	**57.87**
Energy intensity (optional) – the relevant metric may be selected by the entity		

*Above is the consolidated figure for the Automotive and Foundry operations. For purposes of like-to-like comparison with Industry, please find below the detailing of Energy Intensity for Automotive operations

Energy Intensity for Automotive operations = 27.08 GJ/INR Crore

Energy Intensity – Foundry operations (Energy consumed in Foundry/Total revenue generated by Foundry) = 565.84 GJ/INR Crore and Energy Intensity – Automotive (Energy Consumed in Automotive Location/Total Revenue generated by Automotive Location) = 27.08 GJ/ INR Crore

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Ashok Leyland does not have sites/facilities identified as designated consumer under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	8,601	0
(ii) Groundwater	640,385	481,920
(iii) Third party water	505,407.16	550,730
(iv) Seawater / desalinated water	0	0
(v) Others	3,403.00	140
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,157,796.16	1,032,780
Total volume of water consumption (in kilolitres)	1,192,320.66	1,074,360
Water intensity per rupee of turnover (Water consumed / turnover) kL/INR Crore	**32.03***	**49.54**
Water intensity (optional) – the relevant metric may be selected by the entity		

*Above is the consolidated figure for the Automotive and Foundry operations. For purposes of like-to-like comparison with Industry, please find below the detailing of Water Intensity for Automotive operations

Water Intensity for Automotive operations is 27.59 kL/INR Crore

The Water Intensity – Foundry (Water consumed in Foundry/Total revenue generated by Foundry) = 162.26 kL/INR Crore and Water Intensity – Automotive (Water Consumed in Automotive Location/Total Revenue generated by Automotive Location) = 27.59 kL/INR Crore

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Ashok Leyland has accomplished 'Zero Liquid Discharge' at all its automobile manufacturing facilities through the appropriate reuse of Effluent Treatment Plant (ETP) and Sewerage Treatment Plant (STP) discharge as per the consent to operate issued by the regulatory bodies.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	MT	80.21	74.25
SOx	MT	19.56	45.43
Suspended Particulate matter (SPM)	MT	94.25	96.65
Volatile Organic Compound (VOC)	MT	5.81	0.14
Particulate Matter (PM)	MT	0.06	62.21
Others	MT	0.77	2.06

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	33,567.84	25,301.10
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	97,947.41	55,381.29
Total Scope 1 and Scope 2 emissions per rupee of turnover	**tCO2e/INR Crore**	**3.64***	**3.72**

*Above is the consolidated figure for the Automotive and Foundry operations. For purposes of like-to-like comparison with Industry, please find below the detailing of Emission Intensity for Automotive operations.

Emission Intensity for Automotive operations is 2.15 tCO2e/INR Crore

The Emission Intensity – Foundry (Emission generated in Foundry/Total revenue generated by Foundry) = 47.21 tCO2e/INR Crore and Emission Intensity – Automotive (Emission generated in Automotive Location/Total Revenue generated by Automotive Location) = 2.15 tCO2e/INR Crore

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

As part of continuous contribution/effort towards sustainable operation, the Company has taken specific initiatives in energy conservation, usage of alternate/renewable resources, green energy, optimising power consumption, etc.

During the financial year, about 12.60 million electrical units have been saved leading to significant savings in energy of about INR 106.98 million. This was achieved through high degree of awareness, energy audits, and power quality audit. This is a part of the Company's Mission Gemba Initiative. The usage of wind energy was about 20% of the total power consumption and it was 65.03 million units and solar energy of 37% of total power consumption and it was 118.33 million units.

8. **Provide details related to waste management by the entity, in the following format:**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
E-Waste **(A)**	10.49	12.25
Biomedical Waste **(B)**	0.49	0.28
Battery Waste **(C)**	59.98	68.62
Used oil	464.71	354.78
Miscellaneous Hazardous Waste (Process Waste, ETP sludge, etc.) **(D)**	2,652.90	2,112.76
Paper and Cardboard Waste **(E)**	4,053.52	2,759.35
Plastic Waste **(F)**	960.57	17,348.24
Metal Scrap **(G)**	32,930.12	18,886.55
Glass Waste **(H)**	0	0
Wood Waste **(I)**	2,038.15	1,572.01
Miscellaneous Non-Hazardous Waste **(J)**	117,254.80	146,882.19
Total (A + B + C + D + E + F + G + H + I + J)	**160,441.93**	**189,997.03**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	157,791.84	187,887.02
(ii) Re-used	507.44	493.76
(iii) Co-processing	2,142.17	1,597.48
Total	**160,271.78**	**189,978.26**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.49	0.28
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0.49**	**0.28**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The company is committed to regularly improve its waste management initiatives at all its facilities. All plants dispose waste in compliance with operating permits and hazardous waste authorisation. Company engages with waste disposal facilities/waste recyclers/cement companies after due validation of the vendors. As per the Company's strategic drive to divert hazardous wastes away from landfill and incineration, a number of recycling options have been explored and implemented across organisation level.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

9 out of 11 plant locations of Ashok Leyland are not in ecologically sensitive area. However, Ennore and Ennore – Foundry plant locations come under the Coastal Regulation Zone.

Sl. No	Location of Operations/Offices	Type of Operation	Whether the conditions of environmental approval / clearance are being complied with? (Y/N). If no, the reasons thereof and corrective action taken, if any.
1	Ennore	Automobile Manufacturing	Yes
2	Ennore – Foundry	Foundry	Yes

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

During the reporting period, Ashok Leyland has not conducted any environment impact assessment.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Y/N)	Results communicated in public domain (Y/N)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

During the reporting period, there were no cases of non-compliance to applicable laws, regulations, guidelines in India. The Company is complying with all applicable environmental law/regulations/guidelines in India such as Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act, and rules thereunder.

Sl. No.	Specify the law/regulation/ guidelines which was not complied with	Provide the details of the non-compliance	Any fines/ penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources (in GJ)		
Total electricity consumption (A) - 000' GJ	657.03	634.87
Total fuel consumption (B) - 000' GJ	0	0
Energy consumption through other sources©	0	0
Total energy consumed from renewable sources (A+B+C) - 000' GJ	657.03	634.8
From non-renewable sources (in GJ)		
Total electricity consumption (D) - 000' GJ	471.91	252.37
Total fuel consumption (E) - 000' GJ	492.59	367.76
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F) - 000' GJ	964.50	620.13

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment		
With treatment – please specify level of treatment		
(ii) To Groundwater	0	0
With treatment – please specify level of treatment		
(iii) To Seawater	0	0
- No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties	0	0
- No treatment		
With treatment – please specify level of treatment		
(v) Others	0	0
- No treatment		
With treatment – Tertiary Treatment		
Total water discharged (in kilolitres)	0	0

The water discharge of the Company is treated through ETP plant and is used for gardening and other utilisation purpose.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Ennore, Bhandara, Sriperumbudur, Alwar, Hosur, Pantnagar

(ii) Nature of operations: Automobile Manufacturing and Foundry Operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	8,601	0
(ii) Groundwater	640,385	481,920
(iii) Third party water	505,407.16	550,730
(iv) Seawater / desalinated water	0	0
(v) Others	3,403	140
Total volume of water withdrawal	1,157,796.16	1,032,780
(in kilolitres)		
Total volume of water consumption	1,192,320.66	1,032,780
(in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover) kL/INR Crore	32.03	49.54
Water intensity *(optional)* – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	0	0
- No treatment		
With treatment – please specify level of treatment		
(ii) Into Groundwater	0	0
- No treatment		
With treatment – please specify level of treatment		
(iii) Into Seawater	0	0
- No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties	0	0
- No treatment		
With treatment – please specify level of treatment		
(v) Others	0	0
- No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	133,897.15	43,961.24
Total Scope 3 emissions per rupee of turnover	**tCO2e/INR Crore**	**3.70**	**2.03**
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV.

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   9 out of 11 plant locations of Ashok Leyland are not in ecologically sensitive area. However, Ennore and Ennore – Foundry plant location come under the Coastal Regulation Zone.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

   Wood intensity reduction:

   Usage of wood has been significantly reduced across Plants from 11.83 kg/HECU in FY22 to 9.91 kg/HECU in FY23 (16% reduction) at vehicle manufacturing plants and 1.19 kg/MT in FY22 to 0.77 kg/MT in FY23 (36% reduction) at foundry division enabled by reusable, recycled Steel Pallets.

   Water Conservation:

   - Ashok Leyland is a 'Water Positive' Company certified by M/s DNV
   - All the manufacturing plants of the Company follow Zero liquid discharge process
   - Ground water consumption has been minimized across all manufacturing units by implementing Rainwater Harvesting and other water efficiency improvements.
   - Around 65% 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 the buildings having filtering systems to capture roof top rainwater and pumped to the overhead tank for use.

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   Ashok Leyland has a Business continuity plan and Disaster recovery plan with respect to Information technology with the objective

   - To ensure IT continuity and availability of critical systems and services.
   - To ensure that the confidentiality and integrity of critical information is not compromised during a disaster or recovery process
   - To identify the systems, resources and functions necessary for continued operations in the event of disaster
   - To execute an established plan to resume normal services within predefined time limit upon a disaster
   - To minimize the operational impact to various stake holders within and outside the enterprise including dealerships, channel partners, supplier and current / prospective customers thereby enhancing the confidence in Ashok Leyland.

   IT Business continuity plan and Disaster recovery plan is available in the company intranet portal. A similar business continuity plan and disaster recovery plan is also available for Corporate office.

   In future Ashok Leyland is planning to develop a business continuity and disaster management plan at organisation level.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   Ashok Leyland currently have not conducted any environmental impact assessment.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   21%

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   Ashok Leyland is an active member of CII, SIAM, FICCI and ASSOCHAM.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National and International
2	Confederation of Indian Industry (CII)	National and International
3	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National and International
4	Society of Indian Automobile Manufacturers (SIAM)	National and International
5	Automobile Components Manufacturer Association (ACMA)	National
6	Federation of Automobile Dealers Association	National
7	Society of Indian Defence Manufacturers (SIDM)	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

   Not Applicable since there were no cases of anti-competitive conduct by Ashok Leyland in FY 2022-23.

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

   Ashok Leyland works closely with various trade and industry associations including industry representations to the government and regulators. The Company ensure that policy advocacy is carried out in a transparent and responsible manner taking into account its larger national interest.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   Social impact assessments have been conducted by the Madras School of Economics. The Impact assessment indicates positive outcomes in terms of the learning level improvement among the children and also a positive outlook towards the organization

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   There have been no projects for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by Ashok Leyland.

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The initiatives of the Company are focused on the areas of education, health, and water in underserved communities based on their needs. Communities and NGOs can reach out to the Company through emails and corporate inbox secreterial@ashokleyland.com for any grievances.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	• Total production vendor code count: 1,049; total business spend: INR 26,500 Crore • Total MSME vendors with MSME certification (production vendors): 52 with a business spend of INR 71 Crore For small vendors considered < INR 5 Crore business spend with AL as below; • Vendor count: 550 with spend < 5 Crore (also includes 52 MSME vendors) and their business spend is INR 751 Crore • % input material (parts) sourced from 550 small/MSME = 2.8% % Input material (parts) sourced from 52 MSME alone = 0.26%	NA
Sourced directly from within the district and neighbouring districts	NA	NA

*NA- Not Available

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

There were no negative social impacts identified in the Social Impact Assessment.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. no	State	Aspirational District	Amount spent (in INR)
1	Jammu & Kashmir, Uttarakhand	AL's CSR interventions are carried out in Aspirational District (Baramulla, Kupwara & Udham Singh Nagar – 3 districts)	INR 87 lakhs

3.

a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)**

No, Ashok Leyland current does not have preferential procurement policy.

b. **From which marginalized /vulnerable groups do you procure?**

Not Applicable

c. **What percentage of total procurement (by value) does it constitute?**

Not Applicable

The criteria for procurement are quality, cost, and delivery performance, the Company gives preference to diversified supply chain partners which includes MSMEs and small-scale vendors. The Company is engaged with total of 52 MSME vendors with MSME certification (production vendors), with business spend of INR 71 Crores. While with 550 vendors (with spend < INR 5 Crores) inclusive of 52 MSME vendors and their business spend is INR 751 Crores.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	NA	NA	NA	NA

*NA- Not Applicable

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

The Company did not have any cases of intellectual property related disputes in FY 2022-23.

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	1. Education 1.1 Road To School 1.2 Road To Livelihood	1,14,000+ Government School Students from 2^{nd} to 8^{th} grade. 36,000+ Government School students from 9^{th} to 12^{th} grade	In all the interventions by the Company more than 80% of the beneficiaries belong to the underserved and marginalized communities.
2	Water Initiatives	10,000 + Community People	

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Towards gathering customer queries, opinions, or feedback, Ashok Leyland has established a comprehensive after-sales service which includes mediums such as a 24X7 call center toll-free number, website, social media, and so on. The Company ensures to pay careful attention to its customer's feedback and opinions. Along with this, a dedicated complaint management system is also put in place to help monitor as well as facilitate swift resolution of customer complaints and a mechanism for gathering customer queries, opinions, and feedback.

   Reach out to Ashok Leyland through the following channels: Email - reachus@ashokleyland.com
   For queries or grievances to Company Secretary: secretarial@ashokleyland.com
   M&HCV queries: 1800-266-3340, Timing: 24*7 (Everyday)
   LCV queries: 1800-1022-666, Timing: 6 am to 10 pm
   Power Solutions inquiries: 1800-419-19216 Toll-free
   Timing: 6 am to 10 pm (every day)

   Apart from the above, queries are also captured from the official Twitter handle of Ashok Leyland @ALIndiaOfffical and tracked for resolution

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage of total turnover
Environmental and social parameters relevant to the product	100% (All products complying with the mandated emission norms)
Safe and responsible usage	100% (CMVR compliance)
Recycling and/or safe disposal	Not Available

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23			**FY 2021-22**		
	Received during the year	**Pending resolution at end of year**	**Remarks**	**Received during the year**	**Pending resolution at end of year**	**Remarks**
Data privacy	0	0	-	0	**0**	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential	0	0	-	0	0	-
services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	01	01	Complaints related to DTI	0	0	-
Other	1040	178	-	780	96	-

   In the regular course of business, the Company receives and resolves all its consumer queries in a timely manner. Currently, there are no litigations in respect of the enlisted matters.

4. **Details of instances of product recalls on account of safety issues:**

	Number	**Reasons for recall**
Voluntary recalls	0	NA
Forced recalls	0	NA

   *NA-Not Applicable

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, Ashok Leyland has an Information Security policy in place and it is available to all employees in the intranet portal.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.**

   For FY 2022-23, there were no complaints received for issues pertaining to the delivery of essential services, advertising, or action taken by regulatory authorities on the safety of products/services.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Information related to all the products and services can be found on the Company website: www.ashokleyland.com

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   As part of Driver training, the following steps are undertaken:

   Develop sector-specific skills of rural youth towards making them employable/self-employed. Develop a fresh cadre of high-quality drivers to meet the demand for driving professionals, inculcate traffic discipline, instill good driving practices resulting in a reduction of fuel consumption to save petroleum products, and improve Road Safety awareness thereby reducing accidents.

   Training imparted as per regulations of MV Rules and Act

   - Testing & evaluation done before issuing of the certificate
   - Process adherence to ISO standards

   Mechanics and dealer personnel also go through a robust training program as part of the Company Service Training Centers

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Not Applicable

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   The details given in information label are as per the Legal Metrology (Packaged Commodities) Rules 2011. The Company voluntarily and actively informs all its dealers about product improvements through Service Circulars. It also informs the customers to operate vehicles in a more fuel-efficient manner through tips in the Operator Manual. The spare parts label has the details of customer care number, exclusive e-mail ID and contact address, where consumers can reach out to the executives to share their feedback or updates or grievances. Besides this, consumers can also log on to the website of the Company give their feedback or register complaints. The Company conducts periodic training sessions on product genuineness through their Mechanic and Retailer Meets. The spare parts team also conducts raids on vendors selling spurious products and circulates such inputs among the consumers and urges them to remain vigilant and use only genuine parts. The Company commissions reputable third-party agencies to conduct annual surveys for measuring the customer satisfaction index.

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact**

      No instances of data breaches were recorded in FY 2022-23.

   b. **Percentage of data breaches involving personally identifiable information of customers**

      No instances of data breaches were recorded in FY 2022-23.

INDEPENDENT AUDITORS' REPORT

To the Members of Ashok Leyland Limited

Report on the Audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Ashok Leyland Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including 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 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, 2023, and total comprehensive income (comprising of profit and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
I. Impairment	
a. Carrying value of Investments in equity instruments of subsidiaries, joint ventures and associates (Refer to Note 1B.17, Note 1B.11 and Note 1C to the standalone 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 financial statements of the Company, the gross carrying value of equity investments in subsidiaries, joint ventures and associates is ₹ 3,971.74 crores against which a cumulative provision for impairment of ₹ 515.62 crores is carried as at March 31, 2023. Determination of carrying value of investments is a key audit matter as the amounts are significant to the standalone 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.

INDEPENDENT AUDITORS' REPORT

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

b. Fair value of investments in other equity and in preference instruments

(Refer to Note 1B.17 and Note 1C to the standalone 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 financial statements of the Company, Investment in other equity and preference share instruments are ₹ 174.79 crores and ₹ 236.62 crores respectively, carried at fair value, and where no listed price in an active market is available.

The valuation of these other equity instruments and preference share investments are 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 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 ventures, and associates, fair value of investment in other equity instruments and that of fair value of investment in preference instruments and the related disclosures thereof.

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II. Assessment of provision for warranty obligation

(Refer to Note 1B.14, Note 1.19, Note 1.25 and Note 1C to the standalone financial statements regarding the 'Provisions - Warranties' for recognition and valuation methods, Non-Current Provisions and Current Provisions respectively, and 'Critical accounting judgements and key sources of estimation uncertainty - Provision for product warranty' respectively)

In the standalone financial statements, the Company has recognised a provision of ₹ 652.32 crores for warranty obligations as on March 31, 2023.

We determined this matter as key audit matter since the product warranty obligations and estimations thereof are determined by management using a model which incorporates historical information on the type of product, nature, frequency and average cost of warranty claims, the estimates regarding possible future incidences of product failures and discount rate. Changes in estimated frequency and amount of future warranty claims can materially affect warranty expenses.

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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 with regards to the appropriateness of recording of warranty claims, provisioning of warranty, and the periodic review of provision created.
- We verified the appropriateness of the process and controls around IT systems as established by the management. Specifically, we focused on controls around periodic review of warranty provision and that of the appropriateness and adequacy of provision.
- We evaluated the model used by the management for provisioning of warranty to evaluate the appropriateness of the methodology followed by the management and the mathematical accuracy of the model. To this effect, we evaluated the following:
  - the inputs to the model on a sample basis
  - estimation of expected pattern of future claims and estimated replacement cost
  - computation of provision for warranty costs
  - computation for determining the present value in the case of warranty for periods exceeding one year
  - management's estimation process by performing a look-back analysis for warranty costs accruals made in prior year
- We evaluated the adequacy of the disclosures made in the standalone financial statements.

Based on the above audit procedures performed, we did not note any material exceptions with regard to the management assessment of provision for warranty costs and the related disclosures thereof.

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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 financial statements and our auditors' report thereon.

   Our opinion on the standalone 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 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 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 financial statements

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

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

Auditor's responsibilities for the audit of the standalone financial statements

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

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

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 standalone 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 financial statements – Refer Note 3.9 to the standalone financial statements.

    ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract including derivative contracts.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

    iv. (a) The management has represented that, to the best of its knowledge and belief, 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 3.19 to the standalone 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(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 3.19 to the standalone 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.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

15. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number : 304026E/E-300009

A.J.Shaikh
Partner
Membership Number : 203637
UDIN : 23203637BGXOZF6371

Place : Chennai
Date : May 23, 2023

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 financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Ashok Leyland Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number : 304026E/E-300009

A.J.Shaikh
Partner
Membership Number : 203637
UDIN : 23203637BGXOZF6371

Place : Chennai
Date : May 23, 2023

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Ashok Leyland Limited on the standalone financial statements as of and for the year ended March 31, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The property, plant and equipment are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 1.1 on property, plant and equipment and Note 1.1A on right-of-use asset, to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ Crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held (i.e date of capitalisation)	Reason for not being held in the name of the Company
Ennore, Tamil Nadu - Freehold land	81.00	Hinduja Foundries Limited	No	Refer Note 1 below	Refer Note 1.1 of the standalone financial statements
Uppal, Telangana - Freehold land	123.00	Hinduja Foundries Limited	No	Refer Note 1 below	Refer Note 1.1 of the standalone financial statements
Mallavalli, Andhra Pradesh - Freehold land	13.02	Agreement for sale is registered in the name of the Company. Final conveyance deed is to be executed.	No	March 2018	Refer Note 1.1 of the standalone financial statements
Sriperumbudur, Tamil Nadu - Leasehold land	11.47	Hinduja Foundries Limited	No	Refer Note 1 below	Refer Note 1.1A of the standalone financial statements
Pillaipakkam, Tamil Nadu - Leasehold land	48.96	Ashok Leyland Nissan Vehicles Limited	No	Refer Note 2 below	Refer Note 1.1A of the standalone financial statements
Bhandara, Maharashtra - Leasehold land	0.01	Ashok Leyland Limited (under regularisation)	No	May 1982	Refer Note 1.1A of the standalone financial statements

Note 1 – Hinduja Foundries Limited (amalgamating company) merged with the Company effective October 01, 2016 pursuant to the order received from National Company Law Tribunal on April 24, 2017.

Note 2 – Ashok Leyland Nissan Vehicles Limited (amalgamating company) merged with the Company effective April 01, 2018 pursuant to the order received from National Company Law Tribunal on December 17, 2018.

(d) The Company has chosen cost model for its property, plant and equipment (including right-of-use asset) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a registered valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including right-of-use asset) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone 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.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks and financial institutions on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks and financial institutions, which are in agreement with the unaudited books of account (Also Refer Note 3.6.1 to the standalone financial statements).

iii. (a) The Company has made investments in four companies and eight mutual funds and granted unsecured loan to one company and stood guarantee to three 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	463.39	-	200.00	-
Joint Ventures	-	-	-	-
Associates	-	-	-	-
Others	-	-	-	-
Balance outstanding as a balance sheet date				
Subsidiaries	885.84	-	200.00	-
Joint Ventures	6.88	-	-	-
Associates	-	-	-	-
Others	-	-	-	-

(Also Refer Note 3.8 to the standalone financial statements)

(b) In respect of the aforesaid investments, guarantees and loans, the terms and conditions under which such loans were granted, investments were made, guarantees provided are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loan, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the aforesaid loan, there is no amount which is overdue for more than ninety days.

(e) Following loan was granted to one step down subsidiary, which has fallen due during the year and was extended. Further, no fresh loans was granted to step down subsidiary to settle the existing loans / advances in nature of loan.

Name of the parties	Aggregate amount of dues renewed or extended (₹ Crores)	Percentage of the aggregate to the total loans granted during the year
Switch Mobility Automotive Limited	200	100%

(Also Refer Note 1.12 (e) to the standalone financial statements)

(f) The loans granted during the year to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. Further there are no loans / advances in nature of loans which were granted during the year to promoters.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under 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.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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 goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also, Refer Note 3.9 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) 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, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in crores)	Period	Forum where the dispute is pending
State and Central Sales Tax Act	Sales tax and Value added Tax	111.76	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	4.34	Various periods from 2006 - 2016	Appellate Authority upto Commissioner Level
		5.64	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
		48.26	Various periods from 2005 - 2017	Appellate Authority upto Commissioner Level
Goods and Services Tax	Goods and Services Tax	18.89	Various periods from 2017 - 2020	Appellate Authority upto Commissioner Level
The Income Tax Act, 1961	Income tax	0.37	Assessment year 2009 - 2010	Commissioner of Income - Tax (Appeals)
		3.42	Assessment year 2010 - 2011	Commissioner of Income - Tax (Appeals)
		- #	Assessment year 2013 - 2014	Commissioner of Income - Tax (Appeals)
		0.15	Assessment year 2017 - 2018	Commissioner of Income - Tax (Appeals)
		- *	Assessment year 2018 - 2019	Commissioner of Income - Tax (Appeals)
		2.90	Assessment year 2019 - 2020	Commissioner of Income - Tax (Appeals)

Disputed amount considered above is net of refund adjusted against earlier year amounting to ₹ 0.04 crores.

* Disputed amount considered above is net of ₹ 5.92 crores paid under protest.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been 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 during the year.

(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) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been 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 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.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, 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 under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion 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 them. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause3(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 financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable. Further, 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. (Also Refer Note 3.15 to the standalone financial statements)

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number : 304026E/E-300009

A.J.Shaikh
Partner
Membership Number : 203637
UDIN: 23203637BGXOZF6371

Place : Chennai
Date : May 23, 2023

BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	4,747.85	4,977.12
Capital work-in-progress	1.1	48.95	111.11
Right-of-use asset	1.1A	236.98	296.58
Goodwill		449.90	449.90
Other intangible assets	1.2	869.42	877.30
Intangible assets under development	1.2	83.57	83.16
Financial assets			
(i) Investments	1.3	3,892.18	3,521.58
(ii) Trade receivables	1.4	0.63	0.03
(iii) Other financial assets	1.5	97.30	68.63
Income tax assets (net)	1.6A	133.91	103.42
Other non-current assets	1.7	327.32	337.81
		10,888.01	**10,826.64**
Current assets			
Inventories	1.8	2,774.48	2,075.20
Financial assets			
(i) Investments	1.9	2,771.42	1,298.05
(ii) Trade receivables	1.10	4,062.08	3,096.35
(iii) Cash and cash equivalents	1.11A	454.11	994.25
(iv) Bank balances other than (iii) above	1.11B	47.18	52.71
(v) Other financial assets	1.12	581.44	995.58
Other current assets	1.13	940.99	931.37
		11,631.70	**9,443.51**
Asset classified as held for sale	1.5A	71.92	63.63
TOTAL ASSETS		**22,591.63**	**20,333.78**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1.14	293.61	293.55
Other equity	1.15	8,132.19	7,043.35
		8,425.80	**7,336.90**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1.16	1,766.23	2,850.61
(ii) Lease liabilities		31.02	34.42
(iii) Other financial liabilities	1.17	23.01	29.41
Contract liabilities	1.18	250.04	190.58
Provisions	1.19	519.22	200.21
Deferred tax liabilities (net)	1.20	503.51	144.36
		3,093.03	**3,449.59**
Current liabilities			
Financial liabilities			
(i) Borrowings	1.21	1,413.87	656.49
(ii) Lease liabilities		13.71	12.36
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	1.22	73.75	59.84
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,101.37	6,815.39
(iv) Other financial liabilities	1.23	939.48	699.73
Contract liabilities	1.24	362.83	416.20
Provisions	1.25	519.32	470.25
Other current liabilities	1.26	514.13	281.78
Current tax liabilities (net)	1.6B	123.47	123.47
		11,061.93	**9,535.51**
Liabilities directly associated with assets classified as held for sale	1.5B	10.87	11.78
TOTAL EQUITY AND LIABILITIES		**22,591.63**	**20,333.78**

The above Balance Sheet should be read in conjunction with the accompanying notes.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 23, 2023
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 23, 2023
Chennai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
		₹ Crores	₹ Crores
Income			
Revenue from operations	2.1	36,144.14	21,688.29
Other income	2.2	116.14	76.13
Total Income		**36,260.28**	**21,764.42**
Expenses			
Cost of materials and services consumed		27,246.95	15,913.16
Purchases of stock-in-trade		1,160.69	896.90
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.3	(558.49)	(48.99)
		27,849.15	**16,761.07**
Employee benefits expense	2.4	2,113.86	1,694.60
Finance costs	2.5	289.09	301.11
Depreciation and amortisation expense	2.6	731.96	752.76
Other expenses	2.7	3,250.43	2,238.10
Total Expenses		**34,234.49**	**21,747.64**
Profit before exceptional items and tax		**2,025.79**	**16.78**
Exceptional items	2.8	84.61	510.83
Profit before tax		**2,110.40**	**527.61**
Tax expense:			
Current tax - Charge		780.00	10.11
Deferred tax - Credit		(49.71)	(24.33)
		730.29	(14.22)
Profit for the year		**1,380.11**	**541.83**
Other Comprehensive (Loss) / Income			
A (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		(15.93)	(41.00)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		5.57	14.33
B (i) Items that will be reclassified to Profit or Loss			
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		11.87	34.99
(ii) Income tax relating to items that will be reclassified to Profit or Loss		(4.15)	(12.23)
Total Other Comprehensive Loss		**(2.64)**	**(3.91)**
Total Comprehensive Income for the year		**1,377.47**	**537.92**
Earnings per share (Face value ₹ 1 each)	3.3		
- Basic (in ₹)		4.70	1.85
- Diluted (in ₹)		4.70	1.84

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 23, 2023
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 23, 2023
Chennai

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
		₹ Crores	₹ Crores
Cash flow from operating activities			
Profit for the year		**1,380.11**	**541.83**
Adjustments for :			
Income tax charge / (credit)		730.29	(14.22)
Depreciation and amortisation expense		714.70	736.66
Depreciation of Right-of-use asset		17.26	16.10
Share based payment cost		(0.03)	(2.09)
Impairment / (Reversal) of loss allowance, write off on trade receivable / other receivable (net)		9.82	(5.38)
Impairment Loss / (Reversal) in the value of equity instruments in subsidiaries (net)		16.42	(537.83)
(Gain) / Loss on fair valuation of investment in fellow subsidiary		(65.67)	107.13
Reversal of provision for obligation		-	(33.26)
Obligation relating to discontinued products of LCV division (net of reversal)		(14.90)	3.67
Reversal of provision relating to long term investment		-	(1.17)
Foreign exchange loss / (gain)		0.50	(4.83)
Exchange loss on swap contracts		-	17.10
Profit on sale of Property, plant and equipment (PPE) and intangible assets - net		(8.97)	(3.02)
Profit (net) in relation to EV and related expenses		(25.44)	(104.96)
Provision relating to EMAAS business classified as asset held for sale		-	26.84
Profit on sale of investments - net		(30.05)	(13.31)
Net gain arising on financial asset mandatorily measured at FVTPL		(10.02)	(2.36)
Finance costs		289.09	301.11
Interest income		(39.60)	(21.91)
Dividend income		(0.82)	(0.07)
Loss / (Gain) on preclosure of leases		0.07	(0.14)
Operating profit before working capital changes		**2,962.76**	**1,005.89**
Adjustments for changes in :			
Trade receivables		(967.97)	(291.60)
Inventories		(699.28)	20.85
Other non-current and current financial assets		16.62	160.21
Other non-current and current assets		(4.87)	(97.40)
Utilisation from / (Payment to) escrow account		5.32	(9.59)
Related party advances / receivables (net)		5.99	(2.80)
Trade payables		295.30	1,732.00
Non-current and current financial liabilities		338.14	(5.93)
Asset and liabilities classified as held for sale		(9.20)	-
Contract liabilities		6.09	(80.83)
Other current liabilities		226.54	98.68
Other non-current and current provisions		360.78	46.03
Cash from operations		**2,536.22**	**2,575.51**
Income tax (paid) / refund received (net)		(400.21)	71.42
Net cash from operating activities	**[A]**	**2,136.01**	**2,646.93**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
		₹ Crores	₹ Crores
Cash flow from investing activities			
Purchase of PPE and intangible assets		(502.05)	(400.02)
Proceeds on sale of PPE and intangible assets including sale of immovable properties		13.70	6.70
Proceeds on surrender of Leasehold land		62.70	97.61
Purchase of non-current investments		(19.81)	(16.50)
Sale proceeds of non-current investments		5.80	0.07
Purchase of current investments (net)		(1,439.64)	(1,283.82)
Inter corporate deposits - given to a subsidiary		(200.00)	-
Investment in bank deposits		(215.00)	(650.00)
Proceeds from bank deposits		515.00	750.00
Redemption of escrow account		-	2.82
Interest received		43.95	34.16
Dividend received		0.82	0.07
Net cash used in investing activities	**[B]**	**(1,734.53)**	**(1,458.91)**
Cash flow from financing activities			
Proceeds from issue of equity shares (including securities premium)		5.01	-
Proceeds from non-current borrowings		-	650.00
Repayments of non-current borrowings		(375.94)	(12.50)
Proceeds from current borrowings		2,926.28	4,624.41
Repayments of current borrowings		(2,924.52)	(5,518.68)
Payments of Lease liability		(17.66)	(15.32)
Interest paid		(259.79)	(275.54)
Dividend paid		(293.55)	(176.13)
Net cash used in financing activities	**[C]**	**(940.17)**	**(723.76)**
Net cash (outflow) / inflow	**[A+B+C]**	**(538.69)**	**464.26**
Opening cash and cash equivalents		**994.25**	**530.13**
Exchange fluctuation on foreign currency bank balances		(1.45)	(0.14)
Closing cash and cash equivalents [Refer Note 1.11A to the standalone financial statements]		**454.11**	**994.25**
The above Statement of Cash Flows should be read in conjunction with the accompanying notes.			

This is the Statement of Cash Flows referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 23, 2023
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 23, 2023
Chennai

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

₹ Crores

Balance at the beginning of April 1, 2021	Changes in equity share capital during the year	Balance at the end of March 31, 2022	Changes in equity share capital during the year	Balance at the end of March 31, 2023
293.55	-	293.55	0.06	293.61

B. Other Equity

₹ Crores

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	
Balance as at the beginning of April 1, 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 income / (loss)	-	-	-	-	-	(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**
Profit for the year	-	-	-	-	-	1,380.11	-	1,380.11
Other comprehensive (loss) / income	-	-	-	-	-	(10.36)	7.72	(2.64)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**1,369.75**	**7.72**	**1,377.47**
Transactions with owners:								
Dividends including tax thereon	-	-	-	-	-	(293.55)	-	(293.55)
Transfer to general reserve pursuant to lapse of ESOP	-	-	-	-	-	-	-	-
(Reversal) / Recognition of share based payments	-	4.95	-	(0.03)	-	-	-	4.92
Balance as at the end of March 31, 2023	**263.87**	**1,913.70**	**3.33**	**37.87**	**1,020.55**	**4,875.14**	**17.73**	**8,132.19**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 23, 2023
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 23, 2023
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 23, 2023.

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

a) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

b) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

c) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

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.

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 / domestic customers which are on credit basis. The average credit period is in the range of 7 days to 90 days.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., extended warranties, freight & 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 extended 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.

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 reliably.

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.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 contracts are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

Hedge accounting:

The Company designates certain derivatives as hedging instruments in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 3.6 sets out details of the fair values of the derivative instruments used for hedging purposes.

Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the "Other Income".

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and are included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

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 statement and / or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sale prices of inventory item, changes in the related laws / emission norms and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which the they are agreed.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.

Provision for product warranty

The product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

Impairment of goodwill

The carrying amount of goodwill significant to the Company are stated in Note 3.16. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations / extrapolation of normal increase / steady terminal growth rate which approximates the long term industry growth rates) and appropriate discount rates that reflects current market assessments of time value of money and risks specific to these investments. The Management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Fair value measurements and valuation processes

Some of the assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, third party qualified valuers perform the valuations. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 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)	01.04.2022	Additions	Disposals	31.03.2023	01.04.2022	Charge during the year	Disposals	31.03.2023	31.03.2023
Freehold land	717.25	-	-	717.25	-	-	-	-	717.25
Buildings	1,792.14	40.61	6.17	1,826.58	420.61	76.63	6.16	491.08	1,335.50
Buildings given on lease	13.24	-	-	13.24	1.79	0.29	-	2.08	11.16
Plant and equipment	5,523.60	271.59	18.45	5,776.74	2,735.20	449.15	16.51	3,167.84	2,608.90
Plant and equipment given on lease	0.03	-	-	0.03	0.01	#	-	0.01	0.02
Furniture and fittings	73.32	0.91	0.07	74.16	53.58	4.78	0.07	58.29	15.87
Furniture and fittings given on lease	0.25	-	-	0.25	0.25	-	-	0.25	-
Vehicles including electric vehicles	57.90	2.67	6.81	53.76	54.45	2.35	6.54	50.26	3.50
Aircraft given on lease	77.99	-	-	77.99	54.17	9.74	-	63.91	14.08
Office equipment	173.82	18.90	0.97	191.75	132.36	18.69	0.87	150.18	41.57
Total	**8,429.54**	**334.68**	**32.47**	**8,731.75**	**3,452.42**	**561.63**	**30.15**	**3,983.90**	**4,747.85**

Description	01.04.2022	Additions / Adjustments	Capitalised during the year	31.03.2023
Capital work-in-progress (CWIP)	111.11	272.04	334.20	48.95

amount is below rounding off norms adopted by the Company.

CWIP Ageing Schedule

₹ Crores

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	37.54	0.83	0.42	10.16	**48.95**

Of the above, there are no projects where the cost has exceeded the budget. Project whose completion is delayed (temporarily suspended) is as follows:

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project relating to certain facilities / infrastructure development	10.44	-	-	-	**10.44**

Title deeds of Freehold land not held in the name of the Company

₹ Crores

Property Description	Asset Class	Address	Total Acres (Approx.)	Gross / Net carrying value (Refer Sub-Note 5)	Reason for not in the name of the Company	Property in the name of
Ennore, Tamil Nadu	Freehold Land	Kathivakkam High Road, Ennore, Chennai 600 057	35.22	81.00	This land was acquired from Hinduja Foundries Limited by the Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Uppal, Telangana	Freehold Land	Industrial Development Area, Uppal, Ranga Reddy District, Telangana	15.36	123.00	This land was acquired from Hinduja Foundries Limited by the Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Mallavalli, Andhra Pradesh	Freehold Land	Plot no. 2 & 3 of Model Industrial Park situated at Mallavalli Village, Bapulapadu Mandal, Krishna District	75.00	13.02	The Agreement for Sale has been registered in the name of the Company. The Conveyance Deed is to be executed by the Authority upon fulfilment of the certain conditions by the Company.	Agreement for sale registered in the name of the Company. Final Conveyance deed is to be executed.

Notes:

1. Cost of Buildings as at March 31, 2023 includes:
   a) ₹ 0.03 crores being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.
   b) ₹ 1.32 crores representing cost of residential flats including undivided interest in land.
2. For details of assets given as security against borrowings, Refer Note 3.11(a).
3. For amount of contractual commitments for the acquisition of PPE, Refer Note 3.10(a).
4. Expenses capitalised ₹ Nil - Refer Notes 2.4, 2.5 and 2.7 to the standalone financial statements.
5. The gross carrying value and net carrying value of buildings located on freehold and leasehold land for which title is yet to be transferred in the name of the Company amounts to ₹ 221.78 crores and ₹ 186.61 crores respectively.

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 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

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	97.27	2.29	2.22	9.33	111.11

Of the above there are no projects where the cost has exceeded the budget. Project where completion is delayed is as follows:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project relating to certain facilities / infrastructure development	10.54	-	-	-	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 fulfilment of the certain conditions by the Company.	Agreement for sale registered in the name of the Company. Final Conveyance deed is to be executed.

Notes:

1. Cost of Buildings as at March 31, 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 - 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.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.1A RIGHT-OF-USE ASSET

₹ Crores

Description	Net Carrying Amount 01.04.2022	Additions	Closure / Pre closure	Depreciation	Net Carrying Amount 31.03.2023
Leasehold Land	256.85	-	54.15	2.91	199.79
Building	19.81	11.81	-	8.13	23.49
Plant and equipment	6.46	-	-	1.00	5.46
Vehicle	13.46	-	-	5.22	8.24
Total	**296.58**	**11.81**	**54.15**	**17.26**	**236.98**

Title deeds of Leasehold land not held in the name of the Company

₹ Crores

Property Description	Asset Class	Address	Total Acres (Approx.)	Gross carrying value * (Also Refer Note 1.1 Sub - Note 5)	Net carrying value * (Also Refer Note 1.1 Sub - Note 5)	Reason for not in the name of the Company	Property in the name of
Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.63	The leasehold rights were originally granted to Hinduja Foundries Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Pillaipakkam, Tamil Nadu (Refer Sub-Note 6)	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	113.00	48.96	46.38	The leasehold rights were originally granted to Ashok Leyland Nissan Vehicles Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Ashok Leyland Nissan Vehicles Limited (merged with Ashok Leyland Limited)
Bhandara, Maharashtra	Leasehold Land	P O Box 15, Plot No.1, MIDC Industrial Area, Gadegao Lakhani Taluk, Bhandara, Maharashtra	15.82	0.01	0.01	This is a land leased to the Company by the Maharashtra Industrial development Corporation. However, a portion of the land (6.40 hectares) occupied and used by the Company for factory building has been considered unauthorised being a Forest Land. The Company had approached the Mumbai High Court and subsequently pursuant to its orders has applied for the regularisation of the said portion of forest land in exchange of alternate land for afforestation.	Ashok Leyland Limited (under regularisation)

* excludes security deposit

Notes:

1. Escalation clause - the percentage of escalation is up to a maximum of 15%.
2. Discounting rate used for the purpose of computing right to use asset ranges from 6% to 8.50%.
3. Rental amount per annum ranges from ₹ 0.01 crores to ₹ 1.87 crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
4. The lease period ranges from 2 years to 90 years over which the right to use asset is depreciated on a straight line basis.
5. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.
6. During the year a portion of leasehold land has been surrendered to State Industries Promotion Corporation of Tamil Nadu (SIPCOT) and surrender value is received by the Company. The Company is in the process of registering the modified lease deed for the balance portion of leasehold land.

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	5.87	8.38	19.81
Plant and equipment	7.47	-	-	-	1.01	6.46
Vehicle	0.38	16.66	-	-	3.58	13.46
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

₹ Crores

Property Description	Asset Class	Address	Total Acres (Approx.)	Gross carrying value * (Also Refer Note 1.1 Sub-Note 5)	Net carrying value * (Also Refer Note 1.1 Sub-Note 5)	Reason for not in the name of the Company	Property in the name of
Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.77	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 land leased to the Company by the Maharashtra Industrial development Corporation. However, a portion of the land (6.40 hectares) occupied and used by the Company for factory building has been considered unauthorised being a Forest Land. The Company had approached the Mumbai High Court and subsequently pursuant to its orders has applied for the regularisation of the said portion of forest land in exchange of alternate land for afforestation.	Ashok Leyland Limited (under regularisation)

* excludes security deposit

Notes:

1. Escalation clause - the percentage of escalation is up to a maximum of 15%.
2. Discounting rate used for the purpose of computing right to use asset ranges from 6% to 8%.
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	01.04.2022	Additions	Disposals	31.03.2023	01.04.2022	Charge during the year	Disposals	31.03.2023	31.03.2023
Computer software									
- Developed	103.38	-	-	103.38	100.11	3.27	-	103.38	-
- Acquired	129.15	10.31	0.19	139.27	109.81	11.07	0.19	120.69	18.58
Technical knowhow									
- Developed	1,314.49	134.88	-	1,449.37	486.11	130.63	-	616.74	832.63
- Acquired	40.48	-	-	40.48	14.17	8.10	-	22.27	18.21
Total	**1,587.50**	**145.19**	**0.19**	**1,732.50**	**710.20**	**153.07**	**0.19**	**863.08**	**869.42**

Description	01.04.2022	Additions / Adjustments	Capitalised during the year	31.03.2023
Intangible assets under development (IAUD)	83.16	145.60	145.19	83.57

Ageing of Intangible assets under development

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	47.36	11.45	3.16	21.60	83.57

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion is delayed (includes temporarily suspended projects) is as follows:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects relating to Technical knowhow - Product development	46.37	-	-	-	46.37

Notes:

1. Additions to other intangible assets and Intangible assets under development include:

   Expenses capitalised ₹ 131.88 crores - Refer Notes 2.4, 2.5 and 2.7 to the standalone financial statements.

2. For amount of contractual commitments for the acquisition of intangible assets, Refer Note 3.10(a).

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 6 of Note 1.12 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

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	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				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
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).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

DESCRIPTION	As at March 31, 2023		As at March 31, 2022	
	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	3,87,00,000	37.70	2,22,76,290	21.28
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 9)	32,32,46,338	1,931.16	32,32,46,338	1,931.16
Hinduja Tech Limited (Refer Sub-Note 3)	15,39,50,000	167.57	15,39,50,000	167.57
b) Equity Shares of ₹ 10 each				
Vishwa Buses and Coaches Limited (2022: ₹ 5.50 each partly paid up face value ₹ 10.00 each) [Conversion of partly paid up equity shares of ₹ 5.50 each to fully paid up equity shares of ₹ 10 each]	3,64,00,000	36.40	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) Deemed Equity				
Switch Mobility Automotive Limited (Refer Sub-Note 5)	-	129.60	-	-
f) Equity shares of Naira 1 each				
Ashok Leyland (Nigeria) Limited	99,99,999	0.36	99,99,999	0.36
g) Equity shares of USD 20 each				
Ashok Leyland (Chile) S.A.	28,499	3.76	28,499	3.76
h) Equity Shares of Euro 1 each				
Albonair GmbH (Refer Sub-Note 3 and 10)	5,24,95,000	460.09	5,24,95,000	460.09
i) 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	7,59,47,500	46.51
Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)	17,27,270	1.73	17,27,270	1.73
GRO Digital Platforms Limited	1,00,00,000	10.00	1,00,00,000	10.00
Sub Total		**3,971.74**		**3,822.32**
Less: Impairment in Value of Investments				
Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)		1.73		1.73
Ashley Aviation Limited		37.70		21.28
Gulf Ashley Motor Limited		12.34		-
Optare Plc (Refer Note 3.25)		-		-
Albonair GmbH (Refer Sub-Note 10)		460.09		460.09
Albonair (India) Private Limited		-		12.34
Ashok Leyland (Chile) S.A.		3.76		3.76
Aggregate of Impairment in Value of Investments		**515.62**		**499.20**
Sub Total		**3,456.12**		**3,323.12**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

DESCRIPTION	As at March 31, 2023		As at March 31, 2022	
	Nos	₹ Crores	Nos	₹ Crores
4) Others (At Fair value through profit or loss)				
a) Equity Shares of ₹ 10 each				
Rajalakshmi Wind Energy Limited (formerly Ashok Leyland Wind Energy Limited)	78,12,950	9.12	78,12,950	9.12
Chennai Willingdon Corporate Foundation (Cost ₹ 900)	100	#	100	#
Hinduja Energy (India) Limited (Refer Sub-Note 10)	6,11,47,058	147.00	6,11,47,058	81.33
Kamachi Industries Limited	5,25,000	-	5,25,000	0.53
ARS Energy Private Limited	-	-	640	0.01
Prathama Solarconnect Energy Private Limited	1,86,56,912	18.67	1,86,56,912	18.67
HR Vaigai Private Limited (Cost ₹ 26,000)	2,600	#	-	-
b) Equity shares of ₹ 100 each partly paid-up				
Adyar Property Holding Co. Limited (₹ 65 paid up) [Cost ₹ 19,500]	300	#	300	#
Sub Total		**174.79**		**109.66**
Total Investments in Equity Instruments (net)		**3,630.91**		**3,432.78**
B) Investments in Preference Shares (At Fair value through profit or loss) (unquoted)				
1) Subsidiaries				
Ashok Leyland (UAE) LLC 6% Non-Cumulative Non-Convertible Redeemable Preference shares of AED 1,000 each	23,000	42.89	23,000	44.17
Ashley Aviation Limited 6% Non-Cumulative Redeemable Non-Convertible Preference shares of ₹ 10 each	-	-	40,00,000	0.07
6% Cumulative Redeemable Non-Convertible Preference shares of ₹ 10 each	-	-	18,00,000	#
Switch Mobility Automotive Limited (Refer Sub-Note 5) 8.5% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 100 each	3,01,00,000	171.40	-	-
Hinduja Tech Limited 1% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 10 each	2,39,00,000	15.40	2,39,00,000	16.11
2) Associates				
Ashok Leyland Defence Systems Limited 6% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 10 each	1,00,00,000	6.93	1,00,00,000	6.89
Total Investments in Preference Shares		**236.62**		**67.24**
C) Investment in Special Limited Partnership (At Fair value through profit or loss)				
Vasuki SCSp (Refer Sub-Note 7)		24.65		21.56
		24.65		**21.56**
Total		**3,892.18**		**3,521.58**

amount is below rounding off norms adopted by the Company.

Notes:

1. Particulars	March 31, 2023	March 31, 2022
	₹ Crores	₹ Crores
Aggregate value of unquoted investments (including deemed equity investment of ₹ 129.60 crores)	4,407.23	4,020.21
Aggregate value of quoted investments	0.57	0.57
Aggregate value of impairment in value of investments	515.62	499.20

2. Investments are fully paid-up unless otherwise stated.

3. The equity investments in a joint venture company can be transferred / pledged / disposed off / encumbered only with the consent of banks / financial institutions who have given loans to the joint venture company. The equity investments in certain subsidiaries and associates can be disposed off only with the consent of banks / financial institutions who have given loans to these companies.

4. Lock-in commitment in the shareholders agreement: [Also Refer Note 3.10(c)]

Particulars	No of Shares
Hinduja Leyland Finance Limited	2,84,72,743

5. During the year, Switch Mobility Automotive Limited, a step-down subsidiary of the Company, settled the consideration on transfer of Electric vehicle business along with the interest accrued and working capital adjustments thereon, aggregating to ₹ 301 crores by issuing 3,01,00,000 8.5% Non-Cumulative Non-Convertible Redeemable Preference Shares (NCRPS), at a nominal value and issue price of ₹ 100/- each. Consequently, the Company recognised a deemed equity portion on fair valuation of the aforementioned preference shares of Switch Mobility Automotive Limited, being a transaction between common control entities. Also refer Note 3.8.

6. Number of shares held by the Company includes joint holding / beneficial interest.

7. The Company holds 9.09% of Class A units in the special limited partnership.

8. The investments made by the Company is in compliance with section 180 and 186 with respect to layers of investment permitted under the Companies Act, 2013.

9. Hinduja Leyland Finance Limited (HLFL), a subsidiary of the Company has made an application to BSE Limited (Stock Exchange) for the proposed Merger with Nxtdigital Limited on November 25, 2022 and the said application is under process. HLFL is also in the process of filing application to Competition Commission of India (CCI) for the proposed merger and in this regard had a pre-filing consultation meetings with CCI during March / April 2023. Nxtdigital Limited (Transferee Company, whose name has been changed to NDL Ventures Limited w.e.f. April 20, 2023) has also submitted application to Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd (NSE) where its shares are listed and for merger they will be also filing application to CCI for the proposed merger. NDL Ventures Limited has also submitted application to RBI for registration as NBFC on December 23, 2022.

10. The Company has recorded a gain on fair valuation of equity investment in Hinduja Energy (India) Limited (HEIL) amounting to ₹ 65.67 crores (March 31, 2022: loss on fair valuation ₹ 107.13 crores) under exceptional item based on business plan of HEIL, external factors and the independent valuers report.

    During the year ended March 31, 2022, 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 years for the aforementioned entities. Both pre tax discount rate and post tax discount rate gives the same recoverable amount.

		As at March 31, 2023	As at March 31, 2022
		₹ Crores	₹ Crores
1.4	**NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**		
	(Unsecured, considered good)		
	Trade receivables		
	Related parties (Refer Note 3.8)	0.63	0.03
		0.63	**0.03**

Refer Note 1.10 for ageing of trade receivables

Note:

These are carried at amortised cost.

		As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.5	**NON-CURRENT - OTHER FINANCIAL ASSETS**		
	(Unsecured, considered good unless otherwise stated)		
	a) Other receivables *		
	Considered good	-	-
	Considered doubtful	3.99	3.99
	Less: Allowance for doubtful receivables	3.99	3.99
		-	-
	b) Derivatives designated as hedging instruments carried at fair value	43.14	26.69
	c) Others		
	i. Employee advances	0.94	2.13
	ii. Others (includes refund receivable, etc)	14.17	14.17
		15.11	**16.30**
	d) Security deposits		
	Considered good	39.05	25.64
	Considered doubtful	0.43	0.23
	Less: Allowance for doubtful receivables	0.43	0.23
		39.05	**25.64**
		97.30	**68.63**
	Of the Employee advances above,		
	Due from Officers #	-	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 other receivables is as follows:

Particulars	March 2023	March 2022
Opening	3.99	4.34
Add: Additions	-	-
Less: Utilisations / Reversals	-	0.35
Closing	3.99	3.99

3. Movement in allowance for doubtful security deposits is as follows:

Particulars	March 2023	March 2022
Opening	0.23	-
Add: Additions	0.33	0.23
Less: Utilisations / Reversals	0.13	-
Closing	0.43	0.23

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.5A ASSETS CLASSIFIED AS HELD FOR SALE		
Property, plant and equipment and Capital work-in-progress (net of provision for assets held for sale relating to EMAAS business) (Refer Notes 1.1 and 1.2)	47.15	42.53
Right of use asset (Refer Note 1.1A)	5.87	5.87
Non-current and current financial assets (includes trade and other receivables, etc)	13.82	11.74
Non-current and current assets	0.73	0.66
Inventories	4.35	2.83
	71.92	**63.63**
1.5B LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE		
Non-current and current financial liabilities (includes trade and other payables, etc)	10.76	9.90
Non-current and current liabilities (includes contract liabilities, etc)	0.05	1.74
Non-current and current provision (includes provision for employee benefits)	0.06	0.14
	10.87	**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 (step down 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 fair value of the EMAAS business was determined using the Income approach. In this approach, the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the business. This is a level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures. The key inputs are:

a) the estimated cash flows; and

b) the discount rate to compute the present value of the future expected cash flows

The transfer of business will be consummated on receipt of certain other approvals expected within the next twelve months.

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.6A NON-CURRENT - INCOME TAX ASSETS (NET)		
Advance income tax (net of provision)	133.91	103.42
	133.91	**103.42**

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.6B CURRENT TAX LIABILITIES (NET)		
Provision for taxation (net of advance tax)	123.47	123.47
	123.47	**123.47**

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.7 OTHER NON-CURRENT ASSETS		
(Unsecured, considered good unless otherwise stated)		
a) Capital advances		
Considered good	41.24	46.98
Considered doubtful	1.66	0.82
Less: Allowance for doubtful advances	1.66	0.82
	41.24	**46.98**
b) Balances with Government Authorities - Goods and Services, customs, port trust, central excise etc. (including paid under protest)		
Considered good	5.98	8.34
Considered doubtful	2.90	2.90
Less: Allowance for doubtful balances	2.90	2.90
	5.98	**8.34**
c) Others		
i. Sales tax paid (including paid under protest)	213.53	207.41
ii. Other advances (includes prepaid expenses, etc.)	66.57	75.08
	280.10	**282.49**
	327.32	**337.81**

Note :

1. Movement in allowance for doubtful advances towards capital advances is as follows:

Particulars	March 2023	March 2022
Opening	0.82	1.91
Add: Additions	0.84	-
Less: Utilisations / Reversals	-	1.09
Closing	1.66	0.82

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 2023	March 2022
Opening	2.90	-
Add: Additions / Reclassification	-	2.90
Less: Utilisations	-	-
Closing	2.90	2.90

		As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.8	**INVENTORIES**		
	(a) Raw materials and components	1,036.53	894.86
	(b) Work-in-progress	284.43	266.75
	(c) Finished goods	1,099.34	602.79
	(d) Stock-in-trade		
	Spare parts and auto components (including works made)	264.72	220.46
	(e) Stores, spares and consumable tools	89.46	90.34
		2,774.48	**2,075.20**

Notes:

		March 2023	March 2022
1.	Goods-in-transit included above are as below :		
	(a) Raw materials and components	6.60	9.65
	(b) Stock-in-trade		
	Spares parts and auto components (including works made)	2.81	#

2. Cost of inventories (including cost of stock-in-trade purchased and write down of inventories) recognised as an expense during the year are ₹ 27,849.15 crores (2021-22: ₹ 16,761.07 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, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.9	**CURRENT FINANCIAL ASSETS - INVESTMENTS**		
	(Unquoted)		
	Units in mutual funds	2,771.42	1,298.05
	(March 31, 2023: 1,90,75,596.56 units March 31, 2022: 3,16,00,536.79 units)		
		2,771.42	**1,298.05**

Note:

These are carried at fair value through profit or loss

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
1.10 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
(Unsecured)		
Considered good		
Related parties (Refer Note 3.8)	259.75	163.46
Others	3,802.33	2,932.89
	4,062.08	**3,096.35**
Considered doubtful		
Others	117.43	116.51
	117.43	**116.51**
Less: Loss allowance	117.43	116.51
	4,062.08	**3,096.35**

Ageing for trade receivable (Refer Notes 1.4 and 1.10) ₹ Crores

Year ended March 31, 2023	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables							
- considered good	3,389.54	348.94	129.17	6.89	3.80	31.27	3,909.61
(ii) Disputed Trade Receivables							
- considered good	-	13.02	6.05	17.94	19.27	214.25	270.53
Gross Receivables	**3,389.54**	**361.96**	**135.22**	**24.83**	**23.07**	**245.52**	**4,180.14**
Less: Provisions							117.43
Total							**4,062.71**

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	2,657.96	231.74	7.03	8.97	4.83	34.57	2,945.10
(ii) Disputed Trade Receivables							
- considered good	-	23.65	9.99	19.27	22.48	192.40	267.79
Gross Receivables	**2,657.96**	**255.39**	**17.02**	**28.24**	**27.31**	**226.97**	**3,212.89**
Less: Provisions							116.51
Total							**3,096.38**

Notes :

1. Movement in loss allowance is as follows:

Particulars	March 2023	March 2022
Opening	116.51	129.09
Add: Additions	6.39	15.35
Less: Utilisations / Reversals	5.47	27.93
Closing	117.43	116.51

2. These are carried at amortised cost.
3. For details of assets given as security against borrowings - Refer Notes 3.11 and 3.12.

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.11A. CASH AND CASH EQUIVALENTS		
i) Balance with banks:		
a) In current accounts	7.77	21.43
b) In cash credit accounts	446.22	472.73
c) In deposit accounts *	-	500.00
ii) Cash and stamps on hand	0.12	0.09
	454.11	**994.25**

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.11B. BANK BALANCES OTHER THAN (A) ABOVE		
i) Unclaimed dividend accounts (earmarked)	10.30	10.51
ii) Escrow bank account (earmarked)	36.88	42.20
	47.18	**52.71**

* This represents deposits with original maturity of less than or equal to 3 months.

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.12 CURRENT - OTHER FINANCIAL ASSETS		
(Unsecured, considered good unless otherwise stated)		
a) Interest accrued	8.88	13.23
b) Employee advances	22.99	20.55
c) Derivatives designated as hedging instruments carried at fair value	55.70	19.14
d) Related parties (Refer Note 3.8)		
i. Advances in foreign currency #	0.85	0.00
ii. Other receivable	-	6.84
	0.85	**6.84**
e) Intercorporate deposits		
Related Parties (Refer Note 3.8)	200.00	-
f) Revenue grants receivable		
Considered good	25.69	38.03
Considered doubtful	8.89	8.89
	34.58	**46.92**
Less: Allowance for doubtful receivable	8.89	8.89
	25.69	**38.03**
g) Receivable from Government authorities		
Considered good	3.75	11.25
Considered doubtful	3.90	3.90
	7.65	**15.15**
Less:Allowance for doubtful amount	3.90	3.90
	3.75	**11.25**
h) Others (includes expenses recoverable, etc.)		
Considered good	60.62	104.51
Considered doubtful	36.55	20.51
	97.17	**125.02**
Less:Allowance for doubtful amount	36.55	20.51
	60.62	**104.51**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.12	**CURRENT - OTHER FINANCIAL ASSETS (Contd.)**		
i)	Security deposits		
	Considered good	2.96	3.02
	Considered doubtful	0.07	-
		3.03	**3.02**
	Less:Allowance for doubtful deposits	0.07	-
		2.96	**3.02**
j)	Bank deposits with original maturity of greater than 12 months	200.00	500.00
k)	Receivable on slump sale from related party	-	279.01
	(Refer Notes 1.3 and 3.8)		
		581.44	**995.58**
	Of the Employee advances mentioned above		
	Due from Officers #	-	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 2023	March 2022
Opening Balance	8.89	1.93
Add: Additions	-	6.96
Less: Utilisations / Reversals	-	-
Closing Balance	8.89	8.89

3. Movement in Allowance for doubtful receivable (others) is as follows:

Particulars	March 2023	March 2022
Opening Balance	20.51	20.52
Add: Additions	7.04	-
Add: Reclassification	9.00	-
Less: Utilisations / Reversals	-	0.01
Closing Balance	36.55	20.51

4. Movement in Allowance for doubtful receivable (Receivable from government authorities) is as follows:

Particulars	March 2023	March 2022
Opening Balance	3.90	-
Add: Transfer	-	3.90
Less: Utilisations / Reversals	-	-
Closing Balance	3.90	3.90

5. Movement in Allowance for doubtful security deposits is as follows:

Particulars	March 2023	March 2022
Opening Balance	-	-
Add: Addition	0.07	-
Less: Utilisations / Reversals	-	-
Closing Balance	0.07	-

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.13	**OTHER CURRENT ASSETS**		
	(Unsecured, considered good unless otherwise stated)		
	a) Supplier advances		
	Considered good		
	Related Parties (Refer Note 3.8)	-	5.16
	Others	27.25	35.54
	Considered doubtful	0.97	0.97
		28.22	**41.67**
	Less: Allowance for doubtful advances	0.97	0.97
		27.25	**40.70**
	b) Balances with Government Authorities - Goods and Services, customs, port trust, central excise etc.	827.32	776.77
	c) Others*	86.42	113.90
		940.99	**931.37**
	*** Includes:**		
	- Prepaid expenses	85.42	111.73

Note:

Movement in Allowance for doubtful advances is as follows:

Particulars	March 2023	March 2022
Opening	0.97	0.64
Add: Additions	-	0.65
Less: Utilisations / Reversals	-	0.32
Closing	0.97	0.97

		As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.14	**EQUITY SHARE CAPITAL**		
	Authorised		
	27,85,60,00,000 (March 2022: 27,85,60,00,000) Equity shares of ₹ 1 each	2,785.60	2,785.60
		2,785.60	**2,785.60**
	Issued		
	a) 2,28,98,12,796 (March 2022: 2,28,92,12,796) Equity shares of ₹ 1 each	228.98	228.92
	b) 64,63,14,480 (March 2022: 64,63,14,480) Equity shares of ₹ 1 each issued through Global Depository Receipts	64.63	64.63
		293.61	**293.55**
	Subscribed and fully paid up		
	a) 2,28,98,12,796 (March 2022: 2,28,92,12,796) Equity shares of ₹ 1 each	228.98	228.92
	b) 64,63,14,480 (March 2022: 64,63,14,480) Equity shares of ₹ 1 each issued through Global Depository Receipts	64.63	64.63
		293.61	**293.55**
	Add: Forfeited shares (amount originally paid up in respect of 760 shares) #	0.00	0.00
		293.61	**293.55**

amount is below rounding off norms adopted by the Company.

Shares held by promoters as at March 31, 2023				
S. No	Name of the Promoter	No. of Shares	%of total shares	% Change during the year
1	Hinduja Automotive Limited (including shares held through GDRs through Citibank N A, New York)	1,34,86,28,818	45.93	0.01
2	Hinduja Bank (Switzerland) Ltd (held on behalf of Hinduja Automotive Limited)	14,49,04,064	4.94	-
3	Hinduja Foundries Holdings Limited	71,27,379	0.24	-
	Total	**1,50,06,60,261**	**51.11**	**0.01**

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**	**-**

Notes:

1. **Reconciliation of number of equity shares subscribed**

Particulars	March 2023	March 2022
Balance as at the beginning of the year	2,93,55,27,276	2,93,55,27,276
Add: Issued during the year (Refer Note 3.4)	6,00,000	-
Balance as at end of the year	2,93,61,27,276	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, 80,658,292 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, 2023, there are 35,29,18,140 (March 2022: 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 2022: 1,16,43,32,742) Equity shares and 54,86,669 (March 2022: 54,86,669) Global Depository Receipts (GDRs) equivalent to 32,92,00,140 (March 2022: 32,92,00,140) Equity shares of ₹ 1 (March 2022: ₹ 1) each aggregating to 50.87% (March 2022: 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, 2023 and March 31, 2022.

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 2022: 60 equity shares] of ₹ 1 each, per GDR, and their voting rights can be exercised through the Depository.

7. The Company allotted 6,00,000 (March 2022: Nil) equity shares pursuant to the exercise of options under Employee Stock Option Plan Scheme. For Information relating to Employees Stock Option Plan Scheme including details of options outstanding as at March 31, 2023 - Refer Note 3.4.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	Note	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.15 OTHER EQUITY			
Capital Reserve	A	263.87	263.87
Securities Premium	B	1,913.70	1,908.75
Capital Redemption Reserve	C	3.33	3.33
Share Options Outstanding Account	D	37.87	37.90
General Reserve	E	1,020.55	1,020.55
Cash Flow Hedge Reserve	F	17.73	10.01
Retained Earnings	G	4,875.14	3,798.94
		8,132.19	**7,043.35**

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, 2023, the Board of Directors has declared a dividend of ₹ 2.60 per equity share (March 2022: ₹ 1.00 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.

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.16 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS		
a) Secured borrowings		
i. Term loan from banks	1,083.75	1,300.00
ii. SIPCOT soft loan	31.18	31.18
iii. Non-convertible debentures	199.03	795.88
b) Unsecured borrowings		
i. External commercial borrowings from banks	385.86	657.14
ii. Interest free sales tax loans	66.41	66.41
	1,766.23	**2,850.61**

Notes:

1. These are carried at amortised cost.
2. Refer Note 1.21 for current maturities of non-current borrowings.
3. Refer Note 3.11 for security and terms of the borrowing.
4. The Company has been authorised to issue 36,500,000 (March 2022: 36,500,000) Non-Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10 each valuing ₹ 36.50 crores (March 2022: ₹ 36.50 crores) and 77,000,000 (March 2022: 77,000,000) Non-Convertible Redeemable Preference Shares of ₹ 100 each valuing ₹ 770.00 crores (March 2022: ₹ 770.00 crores). No preference shares has been issued during the year.
5. Refer Note 3.6 for details on debt covenants.
6. The Company has not obtained any fresh term loans during the year. For the previous year the borrowings were utilized for the purposes as mentioned in the respective agreements.
7. The Company is not declared as a wilful defaulter by any bank or financial institution or government or any government authority.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2023	As at March 31, 2022
		₹ Crores	₹ Crores
1.17	**NON-CURRENT - OTHER FINANCIAL LIABILITIES**		
a)	Derivatives designated in hedging relationships carried at fair value	-	5.05
b)	Capital creditors	0.99	3.71
c)	Others (includes security deposit payable, etc)	22.02	20.65
		23.01	**29.41**

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, 2023	As at March 31, 2022
		₹ Crores	₹ Crores
1.18	**NON-CURRENT CONTRACT LIABILITIES**		
	Income received in advance (Refer Note 3.7)	250.04	190.58
		250.04	**190.58**

			As at March 31, 2023	As at March 31, 2022
			₹ Crores	₹ Crores
1.19	**NON-CURRENT PROVISIONS**			
a)	Provision for employee benefits			
	i.	Compensated absences	103.83	98.77
	ii.	Others including post retirement benefits	62.48	7.29
b)	Others			
	i.	Product warranties	348.14	90.11
	ii.	Others (including litigation matters)	4.77	4.04
			519.22	**200.21**

Notes:

1. Movement in Provision for product warranties is as follows :

Particulars	March 2023	March 2022
Opening (Current (Refer Note 1.25) and Non-current)	320.60	260.80
Add: Provided during the year (includes unwinding of discount)	643.79	192.12
Less: Utilisations (net)	312.07	132.32
Closing (Current (Refer Note 1.25) and Non-current)	652.32	320.60

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which ranges upto 72 months (March 31 2022: upto 24 months).

2. Movement in Provision for others (including litigation matters) is as follows :

Particulars	March 2023	March 2022
Opening	4.04	8.26
Add: Additions	0.73	26.84
Less: Transfer / Reversal	-	31.06
Closing	4.77	4.04

		As at March 31, 2023	As at March 31, 2022
		₹ Crores	₹ Crores
1.20	**DEFERRED TAX LIABILITIES (NET)**		
a)	Deferred tax liabilities	922.48	962.53
b)	Deferred tax (assets)	(418.97)	(818.17)
		503.51	**144.36**

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 ₹ 174.57 crores (March 2022: ₹ 584.85 crores).

		As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.21	**CURRENT FINANCIAL LIABILITIES - BORROWINGS**		
	Secured borrowings		
	Bills discounted	13.06	-
	Unsecured borrowings		
	Short term loans from banks	150.00	150.00
	Bills discounted	105.57	116.83
	Current maturities of long-term debts	1,145.24	389.66
		1,413.87	**656.49**

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 ₹ 1,000 crores (March 2022: ₹ 1,250 crores).
4. Refer Note 3.6 for details of debt covenants.
5. The Company has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
6. Current maturities of long term debts:

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
Secured	815.60	137.50
Unsecured	329.64	252.16

7. Net debt reconciliation:

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
Cash and cash equivalents	454.11	994.25
Liquid investments	2,771.42	1,298.05
Current borrowings	(269.65)	(267.37)
Non-current borrowings	(2,961.17)	(3,290.15)
Derivative Asset / (Liability)	97.41	33.92
Lease Liability	(44.73)	(46.78)
Net debt	**47.39**	**(1,278.08)**

	Other assets		Liabilities from financing activities				Total
	Cash and cash equivalents	Liquid investments	Non-current borrowings	Current borrowings	Derivative Asset / (Liability)	Lease Liabilities	
Net debt as at March 31, 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	2,020.17
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	-	-	-	-	-	(28.87)	(28.87)
Net debt as at March 31, 2022	**994.25**	**1,298.05**	**(3,290.15)**	**(267.37)**	**33.92**	**(46.78)**	**(1,278.08)**
Cash flows (net)	(538.69)	1,439.64	375.94	(1.76)	-	17.66	1,292.79
Foreign exchange adjustments (Realised / Unrealised)	(1.45)	-	(44.15)	(0.04)	-	-	(45.64)
Profit / (loss) on sale of liquid investments (net)	-	30.05	-	-	-	-	30.05
Interest expense	-	-	(229.21)	(33.87)	-	(3.72)	(266.80)
Interest paid	-	-	226.40	33.39	-	-	259.79
Other non-cash movements							
- Fair value adjustments	-	3.68	-	-	63.49	-	67.17
- Addition / Deletion (Net) relating to lease liability	-	-	-	-	-	(11.89)	(11.89)
Net debt as at March 31, 2023	**454.11**	**2,771.42**	**(2,961.17)**	**(269.65)**	**97.41**	**(44.73)**	**47.39**

Note:

Non-current borrowings and interest expense is gross of impact on account of effective interest rate changes.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.22 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
Trade payables - including acceptances		
a) Total outstanding dues of micro enterprises and small enterprises [Refer Note 3.14]	73.75	59.84
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,101.37	6,815.39
	7,175.12	**6,875.23**

Trade Payables ageing schedule **₹ Crores**

Particulars	As at March 31, 2023 — Outstanding for following periods from due date of payment: Un-billed (includes accrued expenses / liabilities)	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - Micro and Small Enterprises	0.97	72.46	0.32	-	-	-	73.75
(ii) Undisputed dues - Others	912.71	5,604.13	581.02	2.04	1.21	0.26	7,101.37
(iii) Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**913.68**	**5,676.59**	**581.34**	**2.04**	**1.21**	**0.26**	**7,175.12**

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**

Notes:

1. These are carried at amortised cost.
2. Includes acceptances amounting to ₹ 269.73 crores (March 2022: ₹ 673.21 crores).

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.23 CURRENT - OTHER FINANCIAL LIABILITIES		
a) Interest accrued but not due on borrowings	48.72	45.43
b) Unclaimed dividends	10.30	10.51
c) Employee benefits	401.10	183.13
d) Capital creditors		
i) Total outstanding dues of micro enterprises and small enterprises [Refer Note 3.14]	6.17	8.06
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	61.82	147.16
e) Derivatives designated in hedging relationships carried at fair value	1.43	6.86
f) Others *	409.94	298.58
	939.48	**699.73**
* Includes:		
- Refund liabilities	361.66	261.39

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, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.24 CURRENT CONTRACT LIABILITIES		
a) Income received in advance	256.50	292.94
b) Advance from customers	106.33	123.26
	362.83	**416.20**

Note:

Refer Note 3.7 for disclosures relating to revenue from contracts with customers.

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.25 CURRENT PROVISIONS		
a) Provision for employee benefits		
i. Compensated absences	22.03	23.22
ii. Others including post retirement benefits	84.34	82.22
b) Others		
i. Product warranties	304.18	230.49
iii. Others (including litigation matters)	108.77	134.32
	519.32	**470.25**

Notes:

1. For movement in Provision for product warranties Refer Note 1.19.
2. Movement in Provision for obligations (Optare plc) is as follows :

Particulars	March 2023	March 2022
Opening	-	33.26
Add: Additions	-	-
Less: Reversal (Refer Note 2.8)	-	33.26
Closing	-	-

3. Movement in Provision for others (including litigation matters) is as follows :

Particulars	March 2023	March 2022
Opening	134.32	133.42
Add: Additions / Transfer	4.99	3.64
Less: Utilisations / Reversal	30.54	2.74
Closing	108.77	134.32

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.26 OTHER CURRENT LIABILITIES		
a) Statutory liabilities	506.21	275.51
b) Accrued gratuity (Refer Note 3.2)	7.70	6.12
c) Others	0.22	0.15
	514.13	**281.78**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

				Year ended March 31, 2023	Year ended March 31, 2022
				₹ Crores	₹ Crores
2.1	**REVENUE FROM OPERATIONS**				
	a)	Sale of products			
		- Commercial vehicles		31,646.05	18,003.09
		- Engines and gensets		633.84	514.64
		- Ferrous castings and patterns		609.33	469.02
		- Spare parts and others		2,577.88	2,033.47
			(A)	**35,467.10**	**21,020.22**
	b)	Sale of services	**(B)**	1,106.88	855.41
	c)	Other operating revenues			
		- Grant income		0.44	-
		- Export incentives		47.10	40.16
		- Scrap sales		108.56	72.40
		- Others		11.11	7.98
			(C)	**167.21**	**120.54**
			(A+B+C)	**36,741.19**	**21,996.17**
		Less: Rebates and discounts		597.05	307.88
				36,144.14	**21,688.29**

			Year ended March 31, 2023	Year ended March 31, 2022
			₹ Crores	₹ Crores
2.2	**OTHER INCOME**			
	a)	Interest income from financial assets measured at amortised cost		
		i. Loans to related parties	12.72	0.06
		(Refer Note 3.8)		
		ii. Others	26.88	21.85
			39.60	**21.91**
	b)	Dividend income from associates - Non-current investments (Refer Note 3.8)	0.82	0.07
	c)	Profit on sale of investments - net Current investments	30.05	13.31
	d)	Other non-operating income		
		i. Profit on sale of Property, Plant and Equipment (net)	8.97	3.02
		ii. Net gain / (loss) arising on financial asset mandatorily measured at FVTPL	10.02	2.36
		iii. Others	26.68	35.46
			45.67	**40.84**
			116.14	**76.13**

		Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ 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	(540.81)	(75.19)
	- Work-in-progress	(17.68)	26.20
	Net change	**(558.49)**	**(48.99)**

		Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
2.4	**EMPLOYEE BENEFITS EXPENSE**		
	a) Salaries and wages	1,821.75	1,434.32
	b) Contribution to provident and other funds	112.61	105.17
	c) Share based payments costs*	(0.03)	(2.09)
	d) Staff welfare expenses	201.40	170.21
		2,135.73	**1,707.61**
	Less: Expenses capitalised	21.87	13.01
		2,113.86	**1,694.60**
	* 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)	0.47	0.64

		Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
2.5	**FINANCE COSTS**		
	Interest expense (including impact of unwinding of discount rate)	288.06	300.27
	Less: Expenses capitalised	2.69	2.33
		285.37	**297.94**
	Interest on lease liability	3.72	3.17
		289.09	**301.11**

Note:

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year - 7.67% p.a (March 31, 2022 - 8.36% p.a).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
2.6 DEPRECIATION AND AMORTISATION EXPENSE		
A) Property, plant and equipment		
(i) Buildings	76.63	72.60
(ii) Plant and equipment	449.15	450.80
(iii) Furniture and fittings	4.78	4.96
(iv) Vehicles including electric vehicles	2.35	16.20
(v) Office equipment	18.69	20.62
(vi) Assets given on lease		
- Buildings	0.29	0.29
- Plant and equipment	#	#
- Aircraft	9.74	9.74
	561.63	**575.21**
B) Other intangible assets		
(i) Computer software		
- Developed	3.27	15.44
- Acquired	11.07	14.17
(ii) Technical knowhow		
- Developed	130.63	123.74
- Acquired	8.10	8.10
	153.07	**161.45**
C) Depreciation of Right-of-use asset	17.26	16.10
	731.96	**752.76**

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, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
2.7 OTHER EXPENSES		
(a) Consumption of stores and tools	106.36	68.04
(b) Power and fuel	253.91	179.53
(c) Rent (Refer Note 3.5)	4.92	7.25
(d) Repairs and maintenance		
- Buildings	56.44	44.80
- Plant and machinery	177.37	157.71
(e) Insurance	28.07	30.63
(f) Rates and taxes, excluding taxes on income	8.60	12.92
(g) Research and development (includes materials consumed and testing charges)	135.60	134.51
(h) Service and product warranties	766.80	388.73
(i) Packing and forwarding charges	795.19	545.44
(j) Selling and administration expenses - net (includes hire charges, travel expenditure, advertisement expenditure, consultancy charges, etc (Refer Note 3.13))	768.28	530.14
(k) Annual maintenance contracts	246.39	216.04
(l) Impairment loss allowance / write off on trade receivable (net)	1.66	(12.03)
(m) Impairment loss allowance / write off on other receivable (net)	8.16	6.65
	3,357.75	**2,310.36**
Less: Expenses capitalised	107.32	72.26
	3,250.43	**2,238.10**
Note:		
Selling and administration expenses include:		
- Directors' sitting fees	1.06	1.23
- Commission to Non Whole-time Directors	4.92	3.00
- CSR Expenditure (Refer Note 3.15)	15.54	16.70

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
2.8	**EXCEPTIONAL ITEMS**		
	a) Impairment (Loss) / reversal in the value of investments		
	- Optare Plc (Refer Note 3.25)	-	781.19
	- Gulf Ashley Motor Limited	(12.34)	-
	- Ashley Aviation Limited	(16.42)	(4.00)
	- Albonair (India) Private Limited	12.34	-
	- 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) Gain / (Loss) on fair valuation of Investment in Hinduja Energy India Limited (Refer Note 1.3 and 3.6)	65.67	(107.13)
	d) Reversal of provision relating to sale of long term investments	-	1.17
	e) Obligation relating to discontinued products of LCV division (net of reversal)	14.90	(3.67)
	f) Voluntary retirement scheme	(4.98)	(28.75)
	g) Profit (net) in relation to EV and related interest and expenses (Refer Note 1.12)	25.44	104.96
	h) Provision relating to EMAAS business classified as assets held for sale (Refer Notes 1.5A and 1.5B)	-	(26.84)
		84.61	**510.83**

			Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ 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		780.00	10.11
		(A)	**780.00**	**10.11**
	Deferred tax			
	In respect of the current year		(49.71)	(24.33)
		(B)	**(49.71)**	**(24.33)**
	Total income tax expense recognised in profit or loss	**(A + B)**	**730.29**	**(14.22)**

		Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
3.1.2	**Income tax expense for the year reconciled to the accounting profit:**		
	Profit before tax	**2,110.40**	**527.61**
	Income tax rate	34.944%	34.944%
	Income tax expense	737.46	184.37
	Effect of income that is taxed at lower rate	0.04	-
	Effect of previously unrecognised and unused tax losses and deductible temporary differences	(10.50)	(38.22)
	Effect of concessions and other allowances	20.45	(29.25)
	Effect of exceptional items, disallowances and reversals (net)	(17.21)	(131.16)
	Effect of different tax rates of branches operating in overseas jurisdictions	0.05	0.04
	Income tax expense recognised in profit or loss	**730.29**	**(14.22)**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.1 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

		Year ended March 31, 2023	Year ended March 31, 2022
		₹ Crores	₹ Crores
3.1.3 Income tax recognised in other comprehensive income			
Deferred tax			
Arising on income and expenses recognised in other comprehensive income:			
Fair value remeasurement of hedging instruments entered into for cash flow hedges		9.54	5.39
Remeasurement of defined benefit obligation		(5.57)	(14.33)
	A	**3.97**	**(8.94)**
Arising on income and expenses reclassified from equity to profit or loss:			
Relating to cash flow hedges		(5.39)	6.84
	B	**(5.39)**	**6.84**
Total income tax recognised in other comprehensive income (A+B)		**(1.42)**	**(2.10)**

3.1.4 Analysis of deferred tax assets / liabilities:

₹ Crores

March 31, 2023	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Unused tax credits - (utilised)	Closing balance
Deferred tax (liabilities) / assets in relation to:					
Property, Plant & Equipment and intangible assets	(950.16)	39.16	-	-	(911.00)
Right-of-use asset	(6.98)	5.04	-	-	(1.94)
Lease Liability	6.46	(3.38)	-	-	3.08
Voluntary retirement scheme compensation	28.11	(8.66)	-	-	19.45
Expenditure allowed upon payments	100.52	9.78	5.57	-	115.87
Unused tax credit (MAT credit entitlement)	584.85	-	-	(410.28)	174.57
Cash flow hedges	(5.39)	-	(4.15)	-	(9.54)
Other temporary differences	98.23	7.77	-	-	106.00
	(144.36)	**49.71**	**1.42**	**(410.28)**	**(503.51)**

March 31, 2022	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Unused tax credits - (utilised)	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)**

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, unused tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and unused tax credits could be utilised.

3.1 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

	Year ended March 31, 2023	Year ended March 31, 2022
	₹ Crores	₹ Crores
3.1.5 Unrecognised deductible temporary differences, unused tax losses and unused tax credits		
- Unused tax losses (capital)	41.91	71.39
	41.91	**71.39**

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 ₹ 28.40 crores (2021-22: ₹ 25.6 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.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.2 Retirement benefit plans (continued)

	As at March 31, 2023	As at March 31, 2022
3.2.3 The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Gratuity		
Discount rate	7.18%	7.18%
Expected rate of salary increase	5.50%	5.50%
Average past service	17.50	16.80
Average Longevity at retirement age - future service	10.70	11.20
Attrition rate	3.00%	3.00%
Compensated absences		
Discount rate	7.18%	7.18%
Expected rate of salary increase	5.50%	5.50%
Attrition rate	3.00%	3.00%
Other defined benefit plans		
Discount rate	7.18%	7.18%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
3.2.4 Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Gratuity		
Current service cost	20.52	19.74
Net interest expense / (income)	(0.43)	(1.95)
Components of defined benefit costs recognised in profit or loss	**20.09**	**17.79**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain) / loss arising from changes in financial assumptions	-	(10.34)
Actuarial (gain) / loss arising from experience adjustments	7.89	53.50
Actuarial (gain) / loss on plan assets	(2.08)	(2.16)
Components of defined benefit costs recognised in other comprehensive income	**5.81**	**41.00**
Total	**25.90**	**58.79**
Compensated absences and other defined benefit plans		
Current service cost	17.05	18.66
Net interest expense	9.10	8.40
Actuarial (gain) / loss arising from changes in financial assumptions	0.18	(3.46)
Actuarial (gain) / loss arising from experience adjustments	(15.67)	(12.18)
Components of defined benefit costs recognised in profit or loss	**10.66**	**11.42**

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 (continued)

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
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:		
Gratuity		
Present value of defined benefit obligation	433.44	409.16
Fair value of plan assets	425.74	403.04
Net liability / (asset) arising from defined benefit obligation (funded)	**7.70**	**6.12**
Compensated absences and other defined benefit plans		
Present value of defined benefit obligation	133.81	130.09
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation (unfunded)	**133.81**	**130.09**

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 1.19,1.25 and 1.26].

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
3.2.6 Movements in the present value of the defined benefit obligation were as follows:		
Gratuity		
Opening defined benefit obligation	409.16	365.12
Current service cost	20.52	19.74
Interest cost	28.22	23.46
Actuarial (gain)/loss arising from changes in financial assumptions	-	(10.34)
Actuarial (gain)/loss arising from experience adjustments	7.89	53.50
Benefits paid	(32.35)	(42.32)
Closing defined benefit obligation	**433.44**	**409.16**
Compensated absences and other defined benefit plans		
Opening defined benefit obligation	130.09	127.39
Current service cost	17.05	18.66
Interest cost	9.10	8.40
Actuarial (gain)/loss arising from changes in financial assumptions	0.18	(3.46)
Actuarial (gain)/loss arising from experience adjustments	(15.67)	(12.18)
Benefits paid	(6.94)	(8.72)
Closing defined benefit obligation	**133.81**	**130.09**

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
3.2.7 Movements in the fair value of the plan assets were as follows:		
Gratuity		
Opening fair value of plan assets	403.04	383.69
Interest on plan assets	28.65	25.41
Remeasurements due to Actual return on plan assets less interest on plan assets	2.08	2.16
Contributions	24.32	34.10
Benefits paid	(32.35)	(42.32)
Closing fair value of plan assets	**425.74**	**403.04**

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 ₹ 30.73 crores (2021-22: ₹ 27.57 crores).

3.2 Retirement benefit plans (continued)

3.2.8 Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
Gratuity		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	13.77	13.67
increase by	14.56	14.48
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	15.03	14.93
decrease by	14.33	14.22
Compensated absences		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	4.71	4.36
increase by	5.02	4.66
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	4.82	4.69
decrease by	4.55	4.43

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 ₹ 35.00 crores (March 2022: ₹ 36.00 crores) to the defined benefit plans (gratuity - funded) during the next financial year.

The average duration of the benefit obligation (gratuity) is 7.2 years (March 2022: 7.5 years).

3.2 Retirement benefit plans (continued)

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, 2023	As at March 31, 2022
Provident Fund		
Discount rate	7.18%	7.18%
Remaining term to maturity of portfolio (years)	10.70	11.20
Expected guaranteed interest rate		
First year	8.15%	8.10%
Thereafter	8.15%	8.10%
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:

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
Provident Fund		
Present value of defined benefit obligation	1,463.01	1,367.99
Fair value of plan assets	1,382.41	1,293.88
Net (liability) arising from defined benefit obligation (funded)	**(80.60)**	**(74.11)**

The Net liability is reflected in "Provision for employee benefits" under provisions. [Refer Note 1.25].

The amount recognised in total comprehensive income and the movement in fair value assets and present value obligations pertaining to year ended March 31, 2023 is as follows :

Amounts recognised in total comprehensive income in respect of these provident fund are as follows:

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
Provident Fund		
Current service cost	51.08	47.47
Net interest expense	5.31	4.71
Components of provident fund recognised in profit or loss	**56.39**	**52.18**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain) / loss arising from changes in financial assumptions	-	(0.69)
Actuarial (gain) / loss arising from experience adjustments	10.73	(1.98)
Actuarial (gain) / loss on plan assets	(0.61)	2.67
Components of provident fund recognised in other comprehensive income	**10.12**	**-**
Total	**66.51**	**52.18**

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 (continued)

Movements in the present value of the defined benefit obligation were as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	₹ Crores	₹ Crores
Opening defined benefit obligation	1,367.99	1,310.79
Adjustment relating to opening present value obligation	(0.07)	0.21
Employer Contribution	46.31	42.10
Employee Contribution	131.40	104.83
Value of Interest Rate Guarantee	4.77	5.37
Interest cost	97.57	88.24
Actuarial (gain) / loss arising from changes in financial assumptions	-	(0.69)
Actuarial (gain) / loss arising from experience adjustments	10.73	(1.98)
Benefits paid	(195.69)	(180.88)
Closing defined benefit obligation	**1,463.01**	**1,367.99**

Movements in the fair value of the plan assets were as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	₹ Crores	₹ Crores
Provident Fund		
Opening fair value of plan assets	1,293.88	1,241.60
Interest on plan assets	92.26	83.53
Actuarial gain / (loss) on plan assets	0.61	(2.67)
Contributions	191.35	152.30
Benefits paid	(195.69)	(180.88)
Closing fair value of plan assets	**1,382.41**	**1,293.88**

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, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
Central and State Government Securities including Public Sector Undertaking securities	75%	67%
Corporate Bonds	19%	25%
Mutual Funds	1%	3%
Special Deposit Scheme	5%	5%

Significant actuarial assumptions for the determination of the provident fund are discount rate and interest rate guarantee. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
If the discount rate is 50 basis points higher/lower, the defined benefit obligation would:		
decrease by	1.22	0.93
increase by	1.26	0.97

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 0.2% (March 2022: 0.5%) or decrease in present value obligation by 3% (March 2022: 3%.)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation, since the above analysis are based on change in an assumption while holding other assumptions constant. In practice, it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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		Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
3.3	**Earnings per share**		
	Basic earnings per share	4.70	1.85
	Diluted earnings per share	4.70	1.84
	Face value per share	1.00	1.00

		Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
3.3.1	**Basic earnings per share**		
	Profit for the year attributable to equity shareholders	1,380.11	541.83

	Year ended March 31, 2023 Nos.	Year ended March 31, 2022 Nos.
Weighted average number of equity shares used in the calculation of basic earnings per share	2,93,58,16,591	2,93,55,27,276

		Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ 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	1,380.11	541.83

	Year ended March 31, 2023 Nos.	Year ended March 31, 2022 Nos.
Weighted average number of equity shares used in the calculation of basic earnings per share	2,93,58,16,591	2,93,55,27,276
Adjustments :		
Dilutive effect - Number of shares relating to employee stock options	31,59,351	23,15,920
Weighted average number of equity shares used in the calculation of diluted earnings per share	**2,93,89,75,942**	**2,93,78,43,196**

3.4 Share based payments

3.4.1 Details of employees stock option plan of the Company

The Company has Employees Stock Options Plan (ESOP) scheme granted to employees which has been approved by the shareholders of the Company. In accordance with the terms of the plan, eligible employees may be granted options to purchase equity shares of the Company if they are in service on exercise of the grant. Each employee share option converts into one equity share of the Company on exercise at the exercise price as per the scheme. The options carry neither rights to dividend nor voting rights. Options can be exercised at any time from the date of vesting to the date of their expiry.

The following share based payment arrangements were in existence during the current or prior year:

Option series	Number	Grant date	Expiry date	Exercise price ₹	Fair value at grant date ₹
ESOP 3 (Refer Note below)	20,00,000	July 19, 2017	July 19, 2027	83.50	57.42
ESOP 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. During the year ended March 31, 2023, a portion of ESOP 3 and a portion of ESOP 5 have got forfeited.

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 (2021-22: ₹ 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, 2023 Numbers	Weighted average exercise price ₹	Year ended March 31, 2022 Numbers	Weighted average exercise price ₹
Opening at the beginning of the year	1,27,70,000	90.41	2,27,10,000	88.99
Granted during the year	-	-	-	-
Forfeited/lapsed during the year	25,35,000	90.78	99,40,000	87.18
Exercised during the year	6,00,000	83.50	-	-
Balance at the end of the year	96,35,000	90.74	1,27,70,000	90.41

Weighted Average share price on date of exercise of option ₹ 156.50 (2022: ₹ Nil)

3.4.4 Share options vested but not exercised during the year

ESOP 3: 2,00,000 options (Year ended March 31, 2022: ESOP 3: 4,00,000 options), ESOP 5: 44,17,500 (Year ended March 31, 2022: ESOP 5: Nil 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 ₹ 90.74 (as at March 31, 2022: ₹ 90.41) and a weighted average remaining contractual life of 5.71 years (as at March 31, 2022: 6.58 years).

3.5 Lease arrangements

Company as lessee

Company has applied following practical expedients for the purpose of lease on initial recognition :

1) Single discount rate has been applied for leases with same characteristics.
2) Non - lease component which are difficult to be separated from the lease components are taken as the part of lease calculation.
3) Short term leases i.e. leases having lease term of 12 months or less had been ignored for the purpose of calculation of right-of-use asset.

Expenses for the year ended March 31, 2023 includes lease expense classified as Short term lease expenses aggregating to ₹ 15.54 crores (March 31, 2022: ₹ 18.11 crores) and variable lease payments aggregating to ₹ 63.55 crores (March 31, 2022: ₹ 64.82 crores) which are not required to be recognised as part of the 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, 2023	March 31, 2022
	₹ Crores	₹ Crores
Debt (long-term and short-term borrowings and lease liabilities net off effective interest rate adjustment)	3,224.83	3,553.88
Total Equity	8,425.80	7,336.90
Debt equity ratio	0.38	0.48

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 has complied with covenants given under the facility agreements executed for its borrowings.

3.6.2 Financial risk management

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

The Company uses derivative financial instruments to hedge risk exposures in accordance with the Company's policies as approved by the board of directors.

(A) Market risk

Market risk represent changes in market prices, liquidity and other factors that could have an adverse effect on realisable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

(1) Foreign currency risk management:

The Company undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Company actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through a centralised treasury division and uses derivative instruments such as foreign currency forward contracts and currency swaps to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by Management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2023 (all amounts are in equivalent ₹ in Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	770.57	641.23	129.34	393.50	359.48	34.02	(95.32)
EUR	11.95	6.63	5.32	1.74	-	1.74	(3.58)
GBP	0.07	-	0.07	0.85	-	0.85	0.78
JPY	1.17	0.32	0.85	-	-	-	(0.85)
SGD	172.21	172.21	-	-	-	-	-
AED	0.53	-	0.53	51.60	-	51.60	51.07
Others	6.52	-	6.52	2.81	-	2.81	(3.71)

3.6 Financial Instruments (contd.)

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	-	-	-	-	-
AED	0.32	-	0.32	48.50	-	48.50	48.18
Others	5.09	-	5.09	14.40	-	14.40	9.31

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, 2023	March 31, 2022
Profit or loss	1.91	1.18
Equity	1.91	1.18

	EUR impact	
	March 31, 2023	March 31, 2022
Profit or loss	0.07	0.02
Equity	0.07	0.02

	GBP impact	
	March 31, 2023	March 31, 2022
Profit or loss	0.02	0.01
Equity	0.02	0.01

	JPY impact	
	March 31, 2023	March 31, 2022
Profit or loss	0.02	-
Equity	0.02	-

	SGD impact	
	March 31, 2023	March 31, 2022
Profit or loss	-	-
Equity	-	-

	AED impact	
	March 31, 2023	March 31, 2022
Profit or loss	1.02	0.96
Equity	1.02	0.96

	Impact of other currencies	
	March 31, 2023	March 31, 2022
Profit or loss	0.07	0.19
Equity	0.07	0.19

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, 2023	Foreign currency		Notional value in ₹	Fair value assets / (liabilities) in ₹ (Refer Note)	Maturity date	Hedge ratio	Weighted Average rate
Cash flow hedges:							
Sell USD - Buy INR	USD	1.01	82.85	0.52	April 2023 - June 2023	1 : 1	USD 1 : INR 82.88
Buy USD - Sell INR	USD	1.01	82.86	(0.62)	April 2023 - June 2023	1 : 1	USD 1 : INR 82.98
Buy JPY - Sell INR	JPY	0.68	0.42	#	April 2023	1 : 1	JPY 1 : INR 0.62
Fair value hedges:							
Buy USD - Sell INR	USD	1.12	92.12	(0.62)	April 2023 - June 2023	1 : 1	USD 1 : INR 82.92
Sell USD - Buy INR	USD	4.37	359.48	1.12	April 2023 - June 2023	1 : 1	USD 1 : INR 82.63
Buy EUR - Sell INR	EUR	0.07	6.63	0.08	May 2023	1 : 1	EUR 1 : INR 89.02
Buy JPY - Sell INR	JPY	0.51	0.32	#	April 2023 - May 2023	1 : 1	JPY 1 : INR 0.62

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

Note:

Included in the balance sheet under 'Current - other financial assets' and 'Current - other financial liabilities'. [Refer Notes 1.12 and 1.23]

amount is below rounding off norms adopted by the Company.

(2) Interest rate risk management:

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings 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, 2023	March 31, 2022
	₹ Crores	₹ Crores
Variable rate Borrowings	612.50	487.50
Fixed rate Borrowings *	2,503.19	2,958.17
	3,115.69	**3,445.67**

* includes variable rate borrowings amounting to ₹ 715.88 crores (March 31, 2022: ₹ 910.16 crores) subsequently converted to fixed rate borrowings through swap contracts

3.6 Financial Instruments (contd.)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/ lower, the Company's profit / loss for the year ended March 31, 2023 would decrease / increase by ₹ 0.77 crores (March 31, 2022 decrease / increase by ₹ 0.69 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, 2023 is ₹ 96.93 crores (March 31, 2022: ₹ 39.89 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, 2023 would approximately decrease/ increase by ₹ Nil (year ended March 31, 2022: 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 / domestic customers which are on credit basis. The average credit period is in the range of 7 days to 90 days. However, in select cases, credit is extended which is backed by Security deposit/ Bank guarantee/ Letter of credit and other forms. The Company'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 (ECL) and on a case to case basis. ECL are the weighted average of credit losses with the expected risk of default occurring as the weights (historically not significant). ECL is difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

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, 2023	March 31, 2022
	₹ Crores	₹ Crores
From Banks		
- Secured	1,986.95	2,200.00
- Unsecured	503.09	786.33
Total	**2,490.04**	**2,986.33**

Further to the above, the Company has an option to issue commercial paper for an amount of ₹ 2,000 crores (March 31, 2022 : ₹ 2,000 crores). The Company also constantly monitors funding options available in the debt and capital markets with a view to maintain financial flexibility.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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, 2023	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	7,175.12	-	-	7,175.12
Other financial liabilities	889.33	23.01	-	912.34
Borrowings	1,612.99	1,905.55	86.41	3,604.95
Lease liabilities	16.57	28.84	26.94	72.35
	9,694.01	**1,957.40**	**113.35**	**11,764.76**

₹ 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**

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, 2023	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Currency and interest rate swaps	-	-	-
Foreign exchange forward contracts	1.43	-	1.43
	1.43	**-**	**1.43**

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**

3.6 Financial Instruments (contd.)

3.6.3 Categories of Financial assets and liabilites:

₹ Crores

		As at March 31, 2023	As at March 31, 2022
Financial assets			
a.	**Measured at amortised cost:**		
	Investments (net of impairment)	3,456.12	3,323.12
	Cash and cash equivalents	454.11	994.25
	Other bank balances	47.18	52.71
	Trade Receivables (net of allowance)	4,062.71	3,111.05
	Others (net of allowance)	579.90	1,018.38
b.	**Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):**		
	Investments	3,207.48	1,496.51
	Derivatives designated in hedge accounting relationships	98.84	45.83
Financial liabilities			
a.	**Measured at amortised cost:**		
	Borrowings	3,180.10	3,507.10
	Trade Payables	7,175.12	6,875.23
	Other financial liabilities	961.06	717.23
	Lease liabilities	44.73	46.78
b.	**Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):**		
	Derivatives designated in hedge accounting relationships	1.43	11.91

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, 2023	March 31, 2022		
Derivative instruments, i.e. forward foreign currency contracts, currency and interest rate swaps	Assets – ₹ 98.84 crores; and Liabilities – ₹ 1.43 crores	Assets – ₹ 45.83 crores; and Liabilities – ₹ 11.91 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, 2023	March 31, 2022				
Investments in mutual funds	₹ 2771.42 crores	₹ 1298.05 crores	Level 1	Net assets value in an active market	Not applicable	Not applicable
Investments in unquoted preference shares	Preference shares of: Switch Mobility Automotive Limited - ₹ 171.40 crores (Refer Note 1.3) Hinduja Tech Limited - ₹ 15.40 crores Ashok Leyland (UAE) LLC ₹ 42.89 crores Others - ₹ 6.93 crores (Refer Note 1.3)	Preference shares of: Hinduja Tech Limited - ₹ 16.11 crores Ashok Leyland (UAE) LLC ₹ 44.17 crores Others - ₹ 6.96 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) Limited - ₹ 147.00 crores Others - ₹ 52.44 crores (Refer Note 1.3)	Equity shares of: Hinduja (Energy) Limited - ₹ 81.33 crores Others - ₹ 49.89 crores (Refer Note 1.3)	Level 3	Income approach and Net Asset Value (Realisable value) approach – in these approaches, the cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these equity instruments	The significant inputs were: a) the estimated cash flows; and b) the discount rate to compute the present value of the future expected cash flows	A slight decrease in the estimated cash inflows in isolation would result in a significant decrease in the fair value. (Note 3 and 4)

Notes:

1) There were no transfers between Level 1, 2 and 3 during the year.

2) Other things remaining constant, a 5% increase / decrease in the WACC or discount rate used would decrease / increase the fair value of the unquoted preference shares by ₹ 83.66 crores / ₹ 165.18 crores (as at March 31, 2022: ₹ 14.61 crores / ₹ 20.27 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 ₹ 14.98 crores / ₹ 14.37 crores (as at March 31, 2022: ₹ 12.96 crores / ₹ 13.70 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 ₹ 48.61 crores / ₹ 49.59 crores (as at March 31, 2022: ₹ 44.82 crores / ₹ 44.76 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 ₹ 6.34 crores (as at March 31, 2022: gain of ₹ 1.44 crores). The Company has also recorded a fair value gain of ₹ 65.67 crores (March 31, 2022: loss of ₹ 107.13 crores) in equity investment of Hinduja Energy India Limited and presented the same under exceptional items in Note 2.8.

3.7 Revenue from contracts with customers:

3.7.1 Disaggregated revenue information

Particulars	March 31, 2023	March 31, 2022
	₹ Crores	₹ Crores
Type of goods and service		
a) Sale of products		
- Commercial vehicles	31,646.05	18,003.09
- Engines and gensets	633.84	514.64
- Ferrous castings and patterns	609.33	469.02
- Spare parts and others	2,577.88	2,033.47
	35,467.10	**21,020.22**
b) Sale of services		
- Freight and Insurance	570.15	342.65
- Annual Maintenance Contracts	253.26	226.42
- Warranty services	128.77	187.56
- Others	154.70	98.78
	1,106.88	**855.41**
c) Other operating revenues		
- Scrap sales	108.56	72.40
- Others	11.11	7.98
	119.67	**80.38**
Less: Rebates and discounts	597.05	307.88
Total revenue from contract with customers	**36,096.60**	**21,648.13**
India	34,230.04	20,092.10
Outside India	1,866.56	1,556.03
Total revenue from contract with customers	**36,096.60**	**21,648.13**

Timing of revenue recognition	March 31, 2023		March 31, 2022	
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	35,575.66	-	21,100.60	-
- Sale of Services - Freight and Insurance	-	570.15	-	342.65
- Sale of Services - Annual Maintenance Contracts, warranty services and others	75.32	472.52	47.58	465.18
Less: Rebates and discounts	597.05	-	307.88	-
Total revenue from contract with customers	**35,053.93**	**1,042.67**	**20,840.30**	**807.83**

3.7 Revenue from contracts with customers: (contd.)

3.7.2 Contract balances

Particulars	March 31, 2023	March 31, 2022
	₹ Crores	₹ Crores
Trade receivables (Refer Notes 1.4 & 1.10)	4,062.71	3,096.38
Contract liabilities (Refer Notes 1.18 & 1.24)	612.87	606.78

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. There is no significant change in contract liabilities.

3.7.3 Revenue recognised in relation to contract liabilities

	March 31, 2023	March 31, 2022
	₹ Crores	₹ Crores
Revenue recognised from contract liabilities at the beginning of the year	407.07	468.23
Revenue recognised from performance obligations satisfied in previous years	5.22	0.81

3.7.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	March 31, 2023	March 31, 2022
	₹ Crores	₹ Crores
Contracted price	36,693.65	21,956.01
Adjustments		
Rebates and discounts	(597.05)	(307.88)
Revenue from contract with customers	**36,096.60**	**21,648.13**

3.7.5 Unsatisfied or partially unsatisfied performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

Particulars	March 31, 2023	March 31, 2022
	₹ Crores	₹ Crores
Within one year	425.14	457.70
More than one year	256.24	223.60
	681.38	**681.30**

The remaining performance obligations expected to be recognised in more than one year relate to the extended warranty and other obligation which is expected to be recognised over a period of 24 months to 72 months.

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 SPF*
(Holding Company of Machen Development Corporation, Panama)

Subsidiaries

Albonair (India) Private Limited
Albonair GmbH, Germany
- Albonair (Taicang) Automotive Technology Co. Limited., China

Ashok Leyland (Nigeria) Limited
Gulf Ashley Motor Limited
Optare Plc, UK
- Optare UK Limited.
- Switch Mobility Limited, UK (Formerly Optare Group Limited)
    - OHM Global Mobility Limited .... Liquidated on September 16, 2022
    - Switch Mobility Automotive Limited .... From June 14, 2021
    - Switch Mobility Europe S.I, Spain .... From December 14, 2021
    - OHM International Mobility Limited, United Kingdom .... From August 24, 2022
    - OHM Global Mobility Private Limited .... From August 24, 2022
    - 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 .... Deregistered on April 10, 2023

Ashok Leyland (Chile) S.A.
Hinduja Leyland Finance Limited
- Hinduja Housing Finance Limited
- Hinduja Insurance Broking and Advisory Services Limited (under liquidation)
- Gaadi Mandi Digtal Platforms Limited

HLF Services Limited
Global TVS Bus Body Builders Limited
Ashok Leyland (UAE) LLC
- LLC Ashok Leyland Russia
- Ashok Leyland West Africa SA

Ashley Aviation Limited
Hinduja Tech Limited
- Hinduja Tech (Shanghai) Co., Limited
- Hinduja Tech GmbH, Germany
- Hinduja Tech Inc, United States of America
- Hinduja Tech Canada Inc, Canada .... From August 26, 2021
- Hinduja Tech Limited, UK .... From May 26, 2022
- Drive System Design Limited, UK .... From November 30, 2022
- Drive System Design Inc, USA .... From November 30, 2022
- Drive System Design SRO, Chez .... From November 30, 2022

Vishwa buses and coaches Limited
Gro digital platforms Limited .... From April 14, 2021

3.8 Related party disclosure (Contd.)

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
OHM International Mobility Limited, United Kingdom .... From August 02, 2021, Upto August 23, 2022
OHM Global Mobility Private Limited .... From March 08, 2021, Upto August 23, 2022
GOCL Corporation Limited
HR Vaigai Private Limited

Associates

Ashok Leyland Defence Systems Limited
Lanka Ashok Leyland Plc
Mangalam Retail Services Limited

Joint Ventures

Ashley Alteams India Limited
Ashok Leyland John Deere Construction Equipment Company Private Limited [Along with Gulf Ashley Motor Limited] (under liquidation)
Zebeyond Limited, UK .... From December 21, 2022

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. Shenu Agarwal, Managing Director and CEO .... From December 8, 2022
Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer
Prof. Dr. Andreas H Biagosch
Dr. Andrew C Palmer .... Upto November 3, 2022
Mr. Jean Brunol
Mr. Jose Maria Alapont
Ms. Manisha Girotra
Mr. Sanjay K Asher
Mr. Shom Ashok Hinduja .... 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 as significant beneficial owner pursuant to the Companies (Significant Beneficial Owners) Rules, 2018

3.8 Related party disclosure (contd.)

c) Related Party Transactions - summary

₹ Crores

	Transactions during the year ended March 31	Subsidiaries		Fellow Subsidiaries		Associates		Joint Ventures		Holding Company		Entities where control exist		Entities where significant influence exist		Key Management Personnel		Total	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
1	Purchase of raw materials, components and traded goods (net of GST)	1,217.39	582.22	173.96	97.78	1.64	1.73	130.61	56.66	-	-	-	-	-	-	-	-	1,523.60	738.39
2	Sales and services (net of GST)	845.97	550.37	53.50	32.19	42.35	99.97	0.60	0.74	-	-	0.88	(0.15)	-	-	-	-	943.30	683.12
3	Other operating Income	-	-	-	-	-	-	2.18	2.13	-	-	-	-	-	-	-	-	2.18	2.13
4	Other expenditure incurred / (recovered) (net)	47.38	54.92	49.06	46.46	6.17	0.82	(0.04)	0.01	1.51	2.44	(0.85)	(0.36)	-	-	-	-	103.23	104.29
5	Interest and other income	26.98	10.82	-	-	0.85	0.78	0.19	0.31	-	-	-	-	-	-	-	-	28.02	11.91
6	Purchase of assets	0.12	-	-	-	-	-	5.05	-	-	-	-	-	-	-	-	-	5.17	-
7	Sale of asset	1.90	2.42	-	-	-	-	-	-	-	-	-	-	-	-	-	0.29	1.90	2.71
8	Dividend payments	-	-	-	-	-	-	-	-	149.35	89.61	-	-	-	-	-	-	149.35	89.61
9	Dividend Income	-	-	-	-	0.82	0.07	-	-	-	-	-	-	-	-	-	-	0.82	0.07
10	Remuneration to key management personnel**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35.75	24.82	35.75	24.82
11	Commission and sitting fees to key management personnel *	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.98	4.23	5.98	4.23
12	Financial guarantees issued @	463.39	130.98	-	-	-	-	-	12.50	-	-	-	-	-	-	-	-	463.39	143.48
13	Financial guarantees released	-	130.98	-	-	-	-	3.13	14.70	-	-	-	-	-	-	-	-	3.13	145.68
14	Investments in shares of	19.82	14.00	#	-	-	-	-	2.50	-	-	-	-	-	-	-	-	19.82	16.50
15	Inter-corporate deposits given	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200.00	-
16	Loan converted into equity	-	4.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.30
17	Consideration towards sale of Electric vehicle business including interest thereon	25.44	279.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.44	279.01
18	Conversion of receivable on slump sale into preference shares	301.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	301.00	-
19	Contribution to employee related trusts made during the year including loans and interest recovered	-	-	-	-	-	-	-	-	-	-	-	-	211.88	203.83	-	-	211.88	203.83

amount is below rounding off norms adopted by the Company.

* includes commission and sitting fees to other directors aggregating to ₹ 5.98 crores (2022: ₹ 4.13 crores)

@ Includes financial guarantees issued but not yet utilised by a subsidiary amounting to ₹ 130.98 crores for the year ended March 31, 2022.

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.

For the year ended March 31, 2022, the remuneration paid to certain directors amounting to ₹ 17.81 crores was in excess of the limit prescribed under the Companies Act, 2013 and it was approved by the shareholders in the 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	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
1	Trade receivables (Refer Note 1.4 and 1.10)	217.05	97.97	19.25	10.64	22.86	55.42	0.13	0.52	-	-	1.09	0.18	-	-	-	-	260.38	164.73
2	Other financial and non-financial assets (Refer Note 1.12)	200.85	284.79	-	1.06	-	-	-	5.16	-	-	-	-	-	-	-	-	200.85	291.01
3	Trade and other payables	241.91	210.22	35.81	25.89	8.21	0.63	6.48	5.56	0.07	0.07	-	-	18.52	16.85	23.83	4.46	334.83	263.68
4	Share application money (Refer Note 1.12)	-	#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	#
5	Financial guarantees	885.84	412.29	-	-	-	-	6.88	10.00	-	-	-	-	-	-	-	-	892.72	422.29

amount is below rounding off norms adopted by the Company.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.8 Related party disclosure (Contd.)

e) Significant Related Party Transactions

₹ Crores

	Transactions during the year ended March 31	2023	2022
1	**Purchase of raw materials, components and traded goods (net of GST)**		
	Ashley Alteams India Limited	130.61	56.66
	Gulf Oil Lubricants India Limited	161.39	91.21
	Global TVS Bus Body Builders Limited	86.52	68.65
	Albonair (India) Private Limited	974.44	494.77
	Vishwa buses and coaches Limited	74.81	9.63
2	**Sales and services (net of GST)**		
	Gulf Ashley Motor Limited	205.33	224.33
	Ashok Leyland (UAE) LLC	513.40	282.00
	Lanka Ashok Leyland Plc	23.01	80.35
	Switch Mobility Automotive Limited	112.61	40.63
	Gulf Oil Lubricants India Limited	53.33	32.19
3	**Other Operating Income**		
	Ashley Alteams India Limited	2.18	2.13
4	**Other expenditure incurred / (recovered) (net)**		
	Hinduja Automotive Limited, United Kingdom	1.51	2.44
	Gulf Ashley Motor Limited	2.43	6.34
	HLF Services Limited	10.01	8.91
	Ashok Leyland Defence Systems Limited	(1.47)	0.18
	Hinduja Tech Limited	28.79	26.14
	Lanka Ashok Leyland Plc	7.64	0.64
	Albonair GmbH	2.21	1.76
	Ashok Leyland (UAE) LLC	(0.99)	0.26
	Hinduja Renewables Private Limited	7.42	6.70
	Gro digital platforms Limited	11.04	9.47
	Prathama Solarconnect Energy Private Limited	41.45	40.67
	Switch Mobility Automotive Limited	(4.73)	(2.82)
5	**Interest and other income**		
	Ashok Leyland Defence Systems Limited	0.85	0.78
	Global TVS Bus Body Builders Limited	-	3.62
	Albonair (India) Private Limited	0.51	0.48
	Ashley Aviation Limited	2.26	2.26
	Switch Mobility Automotive Limited	20.72	1.31
	Albonair GmbH	0.59	0.66
	Optare Plc	1.43	1.02
	Vishwa buses and coaches Limited	0.87	0.87
6	**Purchase of assets**		
	Ashley Alteams India Limited	5.05	-
7	**Sale of assets**		
	Vishwa buses and coaches Limited	0.11	0.36
	Gro digital platforms Limited	-	2.06
	Switch Mobility Automotive Limited	1.79	-
	Mr. Vipin Sondhi	-	0.29
8	**Dividend payment**		
	Hinduja Automotive Limited, United Kingdom	149.35	89.61
9	**Dividend income**		
	Ashok Leyland Defence Systems Limited	0.60	-
	Lanka Ashok Leyland Plc	0.22	0.07
10	**Financial guarantees issued**		
	Optare Plc	-	130.98
	Switch Mobility Limited	463.39	-
	Ashley Alteams India Limited	-	12.50
11	**Financial guarantees released**		
	Ashley Alteams India Limited	3.13	14.70
	Switch Mobility Limited	-	130.98
12	**Investment in shares of**		
	Ashley Aviation Limited	16.42	4.00
	Vishwa buses and coaches Limited	3.40	-
	Gro digital platforms Limited	-	10.00
	Ashley Alteams India Limited	-	2.50
	HR Vaigai Private Limited	#	-
13	**Inter-corporate deposits given**		
	Switch Mobility Automotive Limited	200.00	-

3.8 Related party disclosure (Contd.)

e) Significant Related Party Transactions

₹ Crores

	Transactions during the year ended March 31	2023	2022
14	**Commission and sitting fees to key management personnel**		
	Mr. Dheeraj G Hinduja	-	0.10
	Commission and sitting fees to other directors in aggregate	5.98	4.13
15	**Contribution to employee related trusts made during the year including loans and interest recovered**		
	Ashok Leyland Employees Ennore Provident Fund Trust	52.95	47.10
	Ashok Leyland Employees Hosur Provident Fund Trust	47.35	41.95
	Ashok Leyland Senior Executives Provident Fund Trust	49.38	45.77
	Ashok Leyland Employees Gratuity Fund	19.36	30.00
	Ashok Leyland Superannuation Fund	16.06	15.21
	Ennore Foundries Gratuity Fund	5.37	4.11
	Ennore Foundries Limited Employees Provident Fund	12.52	11.35
16	**Loan converted into equity**		
	Albonair GmbH	-	4.30
17	**Consideration towards sale of Electric vehicle business including interest thereon**		
	Switch Mobility Automotive Limited	25.44	279.01
18	**Conversion of receivable on slump sale into preference shares (Refer Note 1.3)**		
	Switch Mobility Automotive Limited	301.00	-
19	**Remuneration to key management personnel ***		
	Mr. Vipin Sondhi		
	Short term employee benefits	-	14.65
	Other long term employee benefits	-	0.08
	Mr. Shenu Agarwal		
	Short term employee benefits	1.41	-
	Mr. Gopal Mahadevan		
	Short term employee benefits	14.00	5.65
	Other long term employee benefits	0.08	0.08
	Share-based payment	2.26	2.62
	Mr. Dheeraj G Hinduja		
	Short term employee benefits	17.92	1.66
	Other long term employee benefits	0.08	0.08

Amount is below rounding off norms adopted by the Company.

@pursuant to separation of the director an amount of ₹ 10.33 crores were reversed in profit and loss account due to forfeiture of ESOPs during the year ended March 31, 2022.

* Excludes contribution for gratuity and compensated absences and long term incentive plan as the incremental liability has been accounted for the Company as a whole.

f. Details of loans / intercorporate deposits (excluding interest accrued) as required under regulation 53(1)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations

₹ Crores

Name of the company	March 2023				March 2022			
	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	-	-	-	Subsidiary	-	4.48	4.3 *
Switch Mobility Automotive Limited	Subsidiary	200.00	200.00	-	Subsidiary	-	-	-

* During the year ended March 31, 2022, loan outstanding, has been converted to investment in equity shares.

3.8 Related party disclosure (Contd.)

g. Disclosure as required under section 186(4) of the Companies Act, 2013:

₹ Crores

	Particulars	As at March 31, 2023	As at March 31, 2022	Maximum amount outstanding during the year	Purpose
i)	Intercorporate deposits outstanding				
	- Switch Mobility Automotive Limited	200.00	-	200.00	Funding of operations
ii)	Investments (Refer Note 1.3)	4,496.90	4,181.88		
iii)	Guarantees availed [Refer Note below]				
	- Optare plc	300.88	294.39	300.88	Guarantees for working capital loan
	- Switch Mobility Limited, UK	459.74	-	459.74	Guarantees for term loan / working capital loan
	- Ashley Alteams India Limited	6.88	10.00	10.00	Guarantees for term loan
	- Albonair GmbH	125.22	117.90	125.22	Guarantees for working capital loan

Note

Guarantees given during the year amounts to ₹ 463.39 crores (2022: ₹ 140.97 crores), which are given for the borrowings availed by Switch Mobility Limited, UK (March 31, 2022: Optare Plc and Ashley Alteams India Limited). Guarantees released during the year amounts to ₹ 3.12 crores (2022: ₹ 14.70 crores), pertaining to borrowing availed by Ashley Alteams India Limited.

The terms are in compliance with Section 186(7) of the Companies Act, 2013.

3.9 Contingent liabilities

			As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
a)	Claims against the Company not acknowledged as debts (net)			
	i)	Sales tax / VAT / GST #	257.22	246.25
	ii)	Excise duty #	9.20	8.68
	iii)	Service Tax #	110.72	110.80
	iv)	Customs Duty #	0.43	0.43
	v)	Income tax $	-	142.95
	vi)	Others	43.02	42.97
b)	Corporate guarantees given to others for loans taken by subsidiaries and a joint venture company		892.72	422.29

$ 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.

Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.

Notes :

The Company evaluated the impact of the recent Supreme Court Judgement in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and the Management believes that further clarity is required on this matter for the time period prior to 31st March 2019. However, it is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

The Company is involved in various claims and actions in the ordinary course of business. The Company accrues a liability when a loss is considered probable and the amount can be reasonably estimated. In the opinion of the management the outcome of any existing claims, legal and regulatory proceedings, if decided adversely, is not expected to have a material adverse effect on the business, financial condition, results of operations and cash flows of the Company based on the current position of such claims / legal actions.

3.10 Commitments

			As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
a)	Capital commitments (net of advances) not provided for [including ₹ 9.70 crores (March 2022: ₹ 19.55 crores) in respect of intangible assets]		275.27	313.43
b)	Uncalled liability on partly paid shares / investments [Refer Note 1.3]		#	27.00
c)	Other commitments			
	i)	Financial support given to certain subsidiaries, joint ventures, etc. (including undertaking provided to customers of certain subsidiaries).		
	ii)	Lock-in commitment in shareholders agreement [Refer Note 1.3]		

The outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.

Amount is below rounding off norms adopted by the Company.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.11 Details of Non-current borrowings:

₹ **Crores**

		As at March 31, 2023				As at March 31, 2022		
		Non-current	Current Maturities	Total	Particulars of Redemption / Repayment	Non-current	Current Maturities	Total
a.	**Secured borrowings:**							
i.	Term loans:							
	TL - 12	300.00	100.00	400.00	Repayable annually in 5 equal installments starting from September 9, 2022	400.00	100.00	500.00
	TL - 13	225.00	75.00	300.00	Repayable annually in 4 equal installments starting from May 12, 2023	300.00	-	300.00
	TL - 14	37.50	25.00	62.50	Repayable semi annually in 8 equal installments starting from February 28, 2022	62.50	25.00	87.50
	TL - 15	96.25	3.75	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	200.00	-	200.00
	TL - 17	225.00	12.50	237.50	Repayable semi annually in 12 installments of varying amounts starting from September 30, 2022	237.50	12.50	250.00
		1,083.75	**216.25**	**1,300.00**		**1,300.00**	**137.50**	**1,437.50**
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.	200.00	-	200.00
	Series 2	-	200.00	200.00	Bullet repayment at the end of 3 years from the date of allotment i.e. June 23, 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
		200.00	**600.00**	**800.00**		**800.00**	**-**	**800.00**
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 ₹ 400 crores.

(ii) TL - 13 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Company located at Hosur to the extent of 1.25 times of the amount of loan.

(iii) TL - 14 - Term loan was secured by way of exclusive charge on the specified plant and machinery and other moveable fixed assets of a manufacturing unit of the Company located at Pantnagar to the extent of 1.10 times of the amount of loan.

(iv) TL - 15 - Term loan was secured by way of exclusive charge on the specified plant and machinery and other moveable fixed assets of the manufacturing units of the Company located at Pantnagar and Hosur to the extent of 1.25 times of the amount of loan.

(v) TL -16 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Company located at Chennai to the extent of ₹ 200 crores.

(vi) TL -17 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Company located at Hosur and Bhandara 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, Pantnagar, Hosur and Vellivoyalchavadi and specific immoveable properties of manufacturing unit at Ennore to the extent of 1.10 times of the amount of debentures and interest accrued thereon.

(viii) NCD - Series 2 - 7.65% AL 2023 are secured by way of First Ranking charge over specific plant and machinery of the manufacturing units situated at Hosur and Alwar and specific immoveable properties situated at manufacturing unit at Ennore to the extent of 1.10 times of the amount of debentures and interest accrued thereon.

(ix) NCD - Series 3 - 7.30% AL 2027 are secured by way of First Ranking charge over specific plant and machinery of manufacturing unit situated at Hosur to the extent of 1.10 times of the amount of debentures and interest accrued thereon.

(x) The above SIPCOT soft loan are secured by way of first charge on the fixed assets created and the same shall be on pari passu with other first charge holders of LCV division.

The company has registered the charges / satisfaction of charges with the Registrar of Companies within the stipulated period.

₹ Crores

	As at March 31, 2023				As at March 31, 2022		
	Non-current	Current Maturities	Total	Particulars of Redemption / Repayment	Non-current	Current Maturities	Total
b. Unsecured borrowings:							
i. ECB loans							
ECB -16	112.05	56.03	168.08	Repayable annually in 3 equal installments starting from November 18, 2023	152.24	-	152.24
ECB -15	54.78	54.78	109.56	Repayable annually in 3 equal installments starting from February 28, 2023	101.06	50.53	151.59
ECB -14	219.12	219.12	438.24	Repayable annually in 3 equal installments starting from September 23, 2022	404.22	202.11	606.33
	385.95	**329.93**	**715.88**		**657.52**	**252.64**	**910.16**
ii. Interest free sales tax loans Programme II	66.41	-	66.41	Varying amounts repayable on a periodical basis ending in June 2028	66.41	-	66.41
	66.41	**-**	**66.41**		**66.41**	**-**	**66.41**

The above term loans, external commercial borrowings and loans from others carry varying rates of interest ranging with maximum rate of interest going upto 9.25% p.a. (March 31, 2022: 8.45% p.a.). The weighted average rate of interest of these loans is around 7.62% p.a. (2021-22: 7.53% p.a.).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.12 Details of current borrowings

		As at March 31, 2023 ₹ Crores	Particulars of Repayment	As at March 31, 2022 ₹ Crores
a.	**Secured borrowings**			
i	- Bills discounted	13.06	Repayable on various dates upto August 2023	-
		13.06		**-**

Working capital demand loan from banks / Bills discounted are secured by way of hypothecation of the whole stocks of Raw Materials, Semi Finished and Finished goods, Stores and Spares not related to Plant and Machinery (Consumable stores and spares) Bills Receivable, Book Debts and all other movables both present and future now lying or stored about the factory premises, godowns, warehouses, yards and any other locations to the extent of ₹ 2,000 crores (March 31, 2022: ₹ 2,000 crores).

		As at March 31, 2023 ₹ Crores	Particulars of Repayment	As at March 31, 2022 ₹ Crores
b.	**Unsecured borrowings**			
i.	- STL 24	-	Repaid on August 30, 2022	150.00
ii.	- STL 25	150.00	Repayable on August 25, 2023	-
		150.00		**150.00**
i.	- Bills discounted	105.57	Repayable / Repaid on various dates upto December 2023 / October 2022	116.83
		105.57		**116.83**

The above outstanding borrowings carry varying rates of interest with the maximum rate of interest going upto 8.04% p.a. (March 31, 2022: 4.70% p.a.). The weighted average rate of interest of these borrowings is around 8.04% (2021-22: 4.70%) p.a.

The carrying value of the above borrowings (as reflected in Notes 1.16 and 1.21) are measured at amortised cost using effective interest method while the above borrowings represents principal amount outstanding.

3.13 Other Information (including foreign currency transactions)

	Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
3.13.1 Auditors' remuneration		
Included under selling and administration expenses - net [Refer Note 2.7]		
i) For financial audit	1.90	1.30
ii) For other services - limited review, certification work, etc.	1.09	0.80
iii) For reimbursement of expenses	0.10	0.05
3.13.2 Total research and development costs charged to the Statement of Profit and Loss (including expenses capitalised) [including amount shown under Note 2.7]	591.72	554.03
3.13.3 Impact of exchange (gain) / loss for the year in the Statement of Profit and Loss due to:		
a) Translation / settlement (net) *	54.96	24.79
b) Exchange difference on swap contracts *	-	17.10
* Included under selling and administration expenses - net and finance cost [Refer Notes 2.5 and 2.7]		
c) Depreciation on exchange difference capitalised #	55.67	62.75
# 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 2023	March 2022
i) Principal amount paid after appointed date during the year	5.85	176.70
ii) Amount of interest due and payable for the delayed payment of principal amount	0.02	-
iii) Principal amount remaining unpaid as at year end (over due)	-	2.95
iv) Principal amount remaining unpaid as at year end (not due)	79.60	64.65
v) Interest due and payable on principal amount unpaid as at the year end	-	0.09
vi) Total amount of interest accrued and unpaid as at year end	0.32	0.30
vii) Further interest remaining due and payable for earlier years	0.30	0.21
Also Refer Notes 1.22 and 1.23		

3.15 CSR Expenditure:

₹ Crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gross amount required to be spent by the Company during the year as per Section 135 of the Companies Act, 2013 read with schedule VII (including unspent amount of previous year, as applicable)	0.11	17.34
Amount of expenditure incurred		
(i) Construction / acquisition of any asset	-	-
(ii) Ongoing projects*	13.99	12.23
(iii) On purposes other than (i) & (ii) above** (includes ₹ 0.85 crores remaining unpaid for 2023)	2.02	5.11
Total amount of expenditure incurred	16.01	17.34
*Includes amount to be deposited in earmarked bank account for designated ongoing projects as at March 31, 2022 (subsequently deposited in April 2022)	-	0.32
**Includes amount to be deposited in specific fund as mentioned in Schedule VII (relating to other than ongoing projects) as at March 31, 2022	-	0.09
Shortfall if any excluding amounts transferrable to earmarked bank account / Schedule VII	-	-
Total of previous years shortfall	-	-
Reason for shortfall	Not applicable	Not applicable
Nature of CSR activities	- Education, - Environmental sustainability, - Eradicating hunger, poverty, malnutrition and preventive health care	- Education, - Environmental sustainability, - Eradicating hunger, poverty, malnutrition and preventive health care, - 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	9.59	15.51
Addition for the year	0.32	-
Utilisation from the balance for the year	5.65	5.92
Closing balance of earmarked bank account relating to CSR activities	4.26	9.59
Opening balance of provision relating to CSR activities	10.00	15.68
Addition	0.85	0.41
Utilisation	5.71	6.09
Closing balance of provision relating to CSR activities	5.14	10.00

3.16 Goodwill

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
Gross Goodwill at the beginning / end of the year	449.90	449.90
Accumulated impairment at the beginning / end of the year	-	-
Carrying amount of Goodwill	**449.90**	**449.90**

Allocation of goodwill to cash-generating units

Pursuant to business combination, Light Commercial Vehicle division (LCV division) is identified as a separate cash generating unit. Goodwill has been allocated for impairment testing purposes to this cash-generating unit.

Cash-generating units to which goodwill is allocated are tested for impairment annually at each reporting date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit. The Company has used post tax discount rate of 17% (March 2022: 16%) and terminal growth rate of 3% (March 2022: 3%) for the purpose of impairment testing based on the next five years projected cash flows. Both pre tax and post tax discount rates give the same recoverable amount. The Company believes that any reasonable further change in the key assumptions on which recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount.

Also Refer Notes 1B.16 and 1C.

3.17 Financial Ratios

Ratios	FY 2022-2023	FY 2021-2022	% of Change
Debt equity ratio	0.38	0.49	-22%
Debt service coverage ratio	3.51	3.58	-2%
Current ratio	1.05	0.99	6%
Trade receivable turnover ratio	10.10	7.32	38%
Inventory turnover ratio	11.48	7.95	44%
Trade payable turnover ratio	4.65	3.18	46%
Net capital turnover ratio	151.30	(48.22)	-414%
Return on capital employed (%)	20.45%	2.51%	715%
Return on equity (%)	17.51%	7.57%	131%
Net profit margin %	3.82%	2.50%	53%

The Company earns a return on investment ranging from 3% to 7.7% p.a on fixed deposit and mutual funds.

The reason for change in ratios by more than 25% is mainly due to higher volumes and profitability achieved during year ended March 31, 2023 in comparison with year ended March 31, 2022.

Ratios	Numerator	Denominator
Debt equity ratio (in times)	Gross total borrowings (before deducting un-amortised loan raising expense)	Equity share capital + Other equity
Debt service coverage ratio (in times)	Profit / (loss) before exceptional items and tax + Finance costs + Depreciation and amortisation expense – Tax expense	Interest paid + Lease payments + Principal repayments for long term borrowings
Current ratio (in times)	Current assets (excluding Asset classified as held for sale)	Current liabilities (excluding liabilities directly associated with assets classified as held for sale)
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivable
Inventory turnover ratio (in times)	(Cost of materials and services consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress)	Average inventory
Trade payable turnover ratio (in times)	Purchases + other expenses - service and product warranties	Average trade payable
Net capital turnover ratio (in times)	Revenue from operations	Average Working capital
Return on capital employed (%)	Profit / (Loss) before exceptional items and tax, Finance costs and Other income	(Equity share capital + Other equity) - Goodwill - Other intangible assets - Intangible asset under development + Deferred tax Liabilities (net) + Gross Borrowings
Return on equity (%)	Profit / (Loss) after tax	Average total equity
Net profit margin (%)	Profit / (Loss) after tax	Revenue from operations

3.18 The Company does not have any transactions with struck off companies under Companies Act, 2013 or Companies Act, 1956, during the year.

3.19 The Company has not advanced or loaned or invested funds to any other person or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the 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.

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 factors above, 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 EBITDA 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 previous 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

A.J. Shaikh
Partner
Membership Number : 203637

May 23, 2023
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN: 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN: 01746102

N. Ramanathan
Company Secretary

May 23, 2023
Chennai

INDEPENDENT AUDITORS' REPORT

To the Members of Ashok Leyland Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Ashok Leyland Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate companies and joint ventures (Refer Note 3.1 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023, 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 financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate companies and joint ventures as at March 31, 2023, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its associate companies and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 of the Other Matters section below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	**How our audit addressed the key audit matter**
a. Fair value of investments in other equity and in preference instruments of the Holding Company	
(Refer to Note 1B.19 and Note 1C to the consolidated 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 financial statements of the Group, Investment in other equity and preference share instruments by the Holding Company are ₹ 174.79 crores and ₹ 6.93 crores respectively, carried at fair value, and where no listed price in an active market is available. The valuation of these other equity instruments and preference share investments are 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.	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 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, 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 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 and that of fair value of investment in preference instruments of the Holding Company and the related disclosures thereof.

Key audit matter	How our audit addressed the key audit matter
b. Assessment of provision for warranty obligation	
(Refer to Note 1B.18, Note 1.23, Note 1.30 and Note 1C to the consolidated financial statements regarding the 'Provisions - Warranties' for recognition and valuation methods, Non-Current Provisions and Current Provisions respectively, and 'Critical accounting judgements and key sources of estimation uncertainty - Provision for product warranty' respectively) In the consolidated financial statements, the Group has recognised a provision of ₹ 652.32 crores for warranty obligations pertaining to Holding Company as on March 31, 2023. We determined this matter as key audit matter since the product warranty obligations and estimations thereof are determined by management using a model which incorporates historical information on the type of product, nature, frequency and average cost of warranty claims, the estimates regarding possible future incidences of product failures and discount rate. Changes in estimated frequency and amount of future warranty claims can materially affect warranty expenses.	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 with regards to the appropriateness of recording of warranty claims, provisioning of warranty, and the periodic review of provision created. ● We verified the appropriateness of the process and controls around IT systems as established by the management. Specifically, we focused on controls around periodic review of warranty provision and that of the appropriateness and adequacy of provision. ● We evaluated the model used by the management for provisioning of warranty to evaluate the appropriateness of the methodology followed by the management and the mathematical accuracy of the model. To this effect, we evaluated the following: – the inputs to the model on a sample basis – estimation of expected pattern of future claims and estimated replacement cost – computation of provision for warranty costs. – computation for determining the present value in the case of warranty for periods exceeding one year. – management's estimation process by performing a look-back analysis for warranty costs accruals made in prior year. ● We evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on the above audit procedures performed, we did not note any material exceptions with regard to the management assessment of provision for warranty costs and the related disclosures thereof.
c. Impairment of Goodwill in the Consolidated financial statements	
(Refer to Note 1B.4, Note 1C and Note 3.14D to the consolidated financial statements regarding the recognition, valuation and disclosure methods of 'Goodwill', 'Critical accounting judgements and key sources of estimation uncertainty' and 'Goodwill' respectively) In the consolidated financial statements of the Group, the gross carrying value of goodwill (excluding goodwill forming part of LCV business) is ₹ 1,342.19 crores against which a cumulative provision for impairment of ₹ 616.98 crores is carried in the books as at March 31, 2023. As per Ind AS 36, Impairment of Assets, the Holding Company is required to assess annually the impairment of goodwill acquired in business combinations. The key inputs and judgements involved in the model for impairment assessment of goodwill 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 exist, 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 respective entities are operating. – budgets, considering growth and other cash flow projections provided by the 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 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 goodwill (excluding goodwill forming part of LCV business) in the Consolidated Financial statements and the related disclosures thereof.

Also refer to the Key Audit Matters included by us in our audit report of even date on the Standalone financial statements of the Holding Company.

5. The following Key Audit Matters were included in the audit report dated May 18, 2023, containing an unmodified audit opinion on the consolidated financial information of Hinduja Leyland Finance Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
a. Impairment of financial assets (loans) based on Expected Credit Losses (ECL)	
As at 31 March 2023, the Company reported total gross loans of ₹ 23,064.71 crores (2022: ₹ 18,837.03 crores) and expected credit loss provisions of ₹ 635.99 crores (2022: ₹ 773.88 crores). Ind AS 109, Financial Instruments ('Ind AS 109') requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on the financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. Expected credit loss cannot be measured precisely but can only be estimated through use of statistics. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates and applying appropriate measurement principles, including additional considerations on account of Reserve Bank of India guidelines in relation to COVID-19 regulatory package and restructuring. The Company has involved an external expert to measure probability of default (PD), loss given default (LGD) in accordance with Ind AS 109. The Company measures 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to: ● Segmentation of loan book in buckets based on common risk characteristics ● Staging of loans and in particular determining the criteria , which includes qualitative factors for identifying a significant increase in credit risk (i.e. Stage 2) and credit-impaired (i.e.Stage-3) ● factoring in future macro-economic and industry specific estimates and forecasts ● past experience and forecast data on customer behaviour on repayments ● varied statistical modelling techniques to determine probability of default, loss given default and exposure at default basis the default history of loans, subsequent recoveries made and other relevant factors using probability-weighted scenarios. ● effect of discounting the cash flows by estimating the timing of expected credit shortfalls associated with the defaults Impairment losses in addition to the model-driven ECL results are recorded as overlays by management, to address known impairment model limitations or emerging trends as well as risks not captured by models. As at 31 March 2023, overlays represent approximately 19% of the ECL balances. These adjustments required significant management judgement. Determining ECL on the financial assets also requires compliance with key disclosure requirements as prescribed under the standards and by the Reserve Bank of India, to explain the key judgements and assumptions made by the management in the measurement. Considering the significance of the above matter to the financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the expected credit losses through procedures which included, but were not limited to, the following: – Examined the policy approved by the Board of Directors ('Board') with respect to process and procedures for assessing and measuring credit risk on the lending exposures of the Company and evaluated it appropriateness in accordance with the requirements of Ind AS 109. – Evaluated the design and tested the operating effectiveness of controls across the process relevant to ECL measurement, including around the judgements and estimates made by the management. These controls, amongst others, included controls over the allocation of assets into stages along with management's monitoring of and completeness of the underlying data used in the models, credit monitoring, passing of journal entries and preparing disclosures. – With respect to management expert involved for Company's modelling approach, we obtained the deliverables of the expert submitted to the management and assessed the professional competence and objectivity of such management expert. – Tested the completeness of loans included in the ECL calculations as of 31 March 2023 by reconciling such data with the balances as per loan book register. – Tested, on a sample basis, the data used in the PD and LGD model for ECL calculation by reconciling it to the source information systems of the Company. Further, tested classification of assets into stage 1, 2 and 3 categories, on a sample basis, to verify that these were allocated to the appropriate stage. – Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Challenged the management on post model adjustments, considering the size and complexity of management overlays, in order to assess the reasonableness of the adjustments. – Performed an overall assessment of the ECL provision levels at each stage, including management's assessment and provision on account of the Company's portfolio as well as the macroeconomic environment. – On a test check basis, ensured compliance with RBI Master Circular on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances' ('IRACP') read with RBI circular on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications' dated 12 November 2021 along with RBI notification RBI/2021-2022/158 dated 15 February 2022, in relation to identification, upgradation and provisioning of non-performing assets (NPAs) and ensured that the Company has considered NPAs as credit impaired loans. – Obtained written representations from the management in relation to appropriateness of such ECL methodology and reasonableness of the judgements and assumptions used. – Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">b. Financial assets measured at fair value through other comprehensive income (FVTOCI)</td></tr>
<tr><td>The Company has loans amounting to ₹ 14,914.87 crores as at 31 March 2023 that are carried and measured at fair value through other comprehensive income (FVOCI) in accordance with Ind AS 109.

The classification of such loans at FVTOCI is dependent on the business model adopted by the Company to manage such financial assets in order to generate cash flows. The management has determined that their business model of aforesaid loans is to collect contractual cash flows (solely payments of principal and interest on the amount outstanding) and also to sell such financial assets, and hence, such loans are classified at FVTOCI in accordance with the principles of Ind AS 109.

In measuring these loans, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The management has used the services of an independent professional valuer for arriving at the fair value of aforesaid loan assets. Such fair value is derived using discounted cash flow models wherein the key assumptions include discount rate and adjustment for credit risk including default risk.

Given the subjectivity involved in ascertaining the business model and the fair valuation of the aforesaid loans, relative significance of these loans to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter</td><td>Our audit procedures in relation to financial assets measured at FVTOCI included, but were not limited, to the following:

– Obtained an understanding of the 'Business Model Policy Note' approved by the Board of Directors of the Company, and evaluated whether the identified loan portfolio would satisfy the conditions of Ind AS 109 for measurement at FVTOCI.

– Assessed the design and tested the operating effectiveness of managements' key internal controls over inputs used in the valuation model.

– Obtained the valuation report of the management's valuation expert involved and assessed the expert's competence and objectivity in performing the valuation of these loans.

– With the support of our valuation specialists, assessed whether the valuation methodology adopted by the management's expert is appropriate and tested the reasonableness of the underlying assumptions used such as discount rates to estimate the fair value of the said loans by performing independent sensitivity analysis. Also, tested the completeness of source data and arithmetical accuracy of the management working.

– Assessed the appropriateness and adequacy of disclosures made in the financial statements with respect to Company's exposure to financial instrument valuation risk as per the requirements of the Indian Accounting standards.

– Obtained written representations from the management in relation to reasonableness of the assumptions and judgements used in the valuation of these loans.</td></tr>
<tr><td colspan="2">c. Information Technology ("IT") Systems and Controls for the financial reporting process</td></tr>
<tr><td>The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed in numerous locations on a daily basis. The financial accounting system of the Company is integrated with several other modules including Loan Management and Originating modules and other workflows.

As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.

The accuracy and reliability of the financial reporting process depends on the IT systems and the related control environment, including:

● IT general controls over user access management and change management across applications, networks, database, and operating systems;

● IT application controls.

Due to the pervasive nature and importance of the role of IT systems and related control environment on the Company's financial reporting process, we have identified testing of such IT systems and related control environment as a key audit matter for the current year audit.</td><td>In our audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures with the involvement of our IT specialists, which included but were not limited to, the following:

● Obtained an understanding of the Company's IT related control environment, IT applications, databases and IT Infrastructure. Based on our understanding, we have evaluated and tested relevant IT general controls and IT application controls on the systems identified as relevant for our audit of the financial statements.

● On such in-scope IT systems, we have tested key IT general controls with respect to the following domains:

a. User access management, which includes user access provisioning, de-provisioning, access review, password policies, sensitive access rights and segregation of duties to ensure that privileged access to applications, operating system and databases in the production environment were granted only to authorized personnel.

b. Program change management, which includes controls on moving program changes to production environment by authorised personnel as per defined policy and procedures along with adequate segregation of environment.

Other areas that were assessed under the IT control environment included backup management, incident management, batch processing and interfaces.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

Key audit matter	How our audit addressed the key audit matter
	● Reviewed the report of Information System Audit carried out in the previous year by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting and discussed the deficiencies with the management along with corresponding mitigating actions undertaken. ● Evaluated the design and tested the operating effectiveness of key automated controls within various business processes, including testing of relevant system logic and corresponding automated calculations and process for automated accounting entries, as applicable. Where deficiencies were identified, tested compensating controls and/or performed additional substantive audit procedures as required to mitigate any risk of material misstatement with respect to related financial statement line item. ● Obtained written representations from management on whether IT general controls and automated IT controls are designed and were operating effectively during the year.

6. The following Key Audit Matters were included in the audit report dated April 21, 2023, containing an unmodified audit opinion on the financial information of Lanka Ashok Leyland Plc, an associate of the Holding Company issued by an independent firm of Chartered Accountants reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
a. Carrying value of Inventories	
Changes in economic sentiment or consumer preferences, demands and the introduction of newer models with the latest design and technologies could result in inventories in hand no longer being sought after or being sold at a discount 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 valuation of inventories as key audit matter because of the significant judgment exercised by management in determining appropriate carrying value in inventories.	**Our audit procedures included:** ● Evaluating whether the inventory provisions at the end of the reporting period were determined in a manner consistent with the Company's inventory provision policy by recalculating the inventory provisions based on the percentages and other parameters in the Company's inventory provision policy. ● Assessing, on a sample basis, whether items in the inventory ageing report were classified within the appropriate ageing category by comparing individual items with the underlying documentation which included purchase invoices and goods receipt notes. ● Enquiring of management about any expected changes in plans for markdowns or disposals of slow moving or obsolete inventories and comparing their representations with actual transactions subsequent to the reporting date and assumptions adopted in determining the inventory provisions. ● Comparing, on a sample basis, the carrying value of inventories with sales prices subsequent to the end of the reporting period. ● Attending inventory counts as at the year end to ensure the existence and condition of inventories as at the reporting date.
b. 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 the 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.

Key audit matter	How our audit addressed the key audit matter
	● 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 financial statements and our auditors' report thereon.

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

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

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate companies and joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate companies and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate companies and joint ventures are responsible for assessing the ability of the Group and of its associate companies and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group and of its associate companies and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associate companies and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

INDEPENDENT AUDITORS' REPORT

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

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate companies and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate companies and joint ventures to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate companies and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 ₹ 35,808.18 crores and net assets of ₹ 5,475.39 crores as at March 31, 2023, total revenue of ₹ 7,320.41 crores, total net profit after tax of ₹ 9.33 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 82.59 crores and net cash flows amounting to ₹ 395.37 crores for the year ended March 31, 2023, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of ₹ 8.74 crores and total comprehensive income (comprising of profit and other comprehensive loss) of ₹ 8.72 crores for the year ended March 31, 2023 as considered in the consolidated financial statements, in respect of three associate companies and one joint venture, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint 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 and three step down subsidiaries, whose financial information reflect total assets of ₹ 272.89 crores and net assets of ₹ 20.42 crores as at March 31, 2023, total revenue of ₹ 382.24 crores, total net loss after tax of ₹ 8.16 crores, total comprehensive loss (comprising of loss and other comprehensive loss) of ₹ 8.35 crores and net cash flows amounting to ₹ 3.19 crores for the year ended March 31, 2023, as considered in the consolidated financial statements. The consolidated financial statements also include

the Group's share of net profit after tax of ₹ 0.27 crores and total comprehensive loss (comprising of profit and other comprehensive loss) of ₹ 0.15 crores for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of two joint ventures whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures 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 joint ventures, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

18. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 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, 2023 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 consolidated financial statements of the Group, its associates and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(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 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 financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associate companies and joint ventures– Refer Note 3.11 to the consolidated financial statements.

ii. The Group, its associate companies and joint ventures were not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India during the year.

(iv) (a) The respective Managements of the Company and its subsidiaries, joint 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, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries, joint venture and associate companies to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, joint venture and associate companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 3.20 to the Consolidated financial statements);

(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, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries, joint ventures and associate companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, joint 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. (Refer note 3.20 to the Consolidated financial statements);

(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 auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

(v) The dividend declared and paid during the year by the Holding Company, associate companies and joint ventures, as applicable, is in compliance with Section 123 of the Act.

(vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, associate companies and joint ventures, is applicable to the Group, associate companies and joint ventures only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

20. The Group, its associate companies and joint ventures, as applicable have paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637
UDIN : 23203637BGXOZG8407

Place : Chennai
Date : May 23, 2023

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 financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, 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 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 company, 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 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

A.J. Shaikh
Partner
Membership Number : 203637
UDIN : 23203637BGXOZG8407

Place : Chennai
Date : May 23, 2023

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	5,363.61	5,317.15
Capital work-in-progress	1.1	139.15	139.38
Right-of-use asset	1.1a	399.34	427.29
Goodwill (including consolidation)		1,175.11	1,031.83
Other Intangible assets	1.2	1,190.77	1,118.31
Intangible assets under development	1.2	128.97	100.63
Investments - Accounted for using equity method	1.3	55.27	46.60
Financial assets			
(i) Investments	1.3	1,285.74	951.89
(ii) Trade receivables	1.4	2.84	0.03
(iii) Loans	1.5	19,646.38	14,890.73
(iv) Other financial assets	1.6	496.21	358.85
Deferred tax assets (net)	1.7	49.08	27.13
Income tax assets (net)	1.8	222.10	213.37
Other non-current assets	1.9	330.52	339.29
		30,485.09	**24,962.48**
Current assets			
Inventories	1.10	3,440.43	2,540.55
Financial assets			
(i) Investments	1.11	3,511.34	1,653.63
(ii) Trade receivables	1.12	4,187.36	3,264.09
(iii) Cash and cash equivalents	1.13a	1,908.58	2,030.96
(iv) Bank balances other than (iii) above	1.13b	278.14	107.20
(v) Loans	1.14	8,681.43	6,818.03
(vi) Other financial assets	1.15	782.14	922.45
Current Tax Assets (Net)	1.8a	1.84	-
Contract Assets	1.16	32.84	21.84
Other current assets	1.17	1,347.42	1,215.92
		24,171.52	**18,574.67**
Asset classified as held for sale	1.17A	71.92	63.63
TOTAL ASSETS		**54,728.53**	**43,600.78**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1.18	293.61	293.55
Other equity	1.19	8,260.32	7,010.34
Equity attributable to owners of the Company		**8,553.93**	**7,303.89**
Non-controlling interest		2,244.81	1,286.27
Total equity		**10,798.74**	**8,590.16**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1.20	19,502.86	15,297.30
(ii) Lease Liabilities		188.97	160.57
(iii) Other financial liabilities	1.21	164.01	143.20
Contract liabilities	1.22	250.04	193.83
Provisions	1.23	633.28	283.99
Deferred tax liabilities (net)	1.24	722.00	315.83
Other non-current liabilities	1.25	13.68	-
		21,474.84	**16,394.72**
Current liabilities			
Financial liabilities			
(i) Borrowings	1.26	11,417.58	8,642.05
(ii) Lease Liabilities		51.52	45.10
(iii) Trade payables	1.27		
a) Total outstanding dues of micro enterprises and small enterprises		77.09	62.63
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,504.78	7,187.28
(iv) Other financial liabilities	1.28	1,601.76	1,188.06
Contract liabilities	1.29	458.35	498.75
Provisions	1.30	586.52	532.68
Other current liabilities	1.31	618.18	323.75
Current tax liabilities (net)	1.32	128.30	123.82
		22,444.08	**18,604.12**
Liabilities directly associated with assets classified as held for sale	1.17B	10.87	11.78
TOTAL EQUITY AND LIABILITIES		**54,728.53**	**43,600.78**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 23, 2023
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN : 01746102

N. Ramanathan
Company Secretary

May 23, 2023
Chennai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Note	Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
Income			
Revenue from operations	2.1	41,672.60	26,237.15
Other income	2.2	110.77	86.81
Total Income		**41,783.37**	**26,323.96**
Expenses			
Cost of materials and services consumed		28,272.18	16,619.60
Purchases of stock-in-trade		1,176.21	945.42
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(629.49)	48.24
		28,818.90	**17,613.26**
Employee benefits expense	2.3	3,234.38	2,616.76
Finance costs	2.4	2,093.50	1,869.05
Depreciation and amortisation expense	2.5	900.22	865.96
Other expenses	2.6	4,526.42	3,241.89
Total Expenses		**39,573.42**	**26,206.92**
Profit before Share of profit of associates and joint ventures, exceptional items and tax		**2,209.95**	**117.04**
Share of profit of associates and joint ventures (net)		10.75	7.52
Profit before exceptional items and tax		**2,220.70**	**124.56**
Exceptional items	2.7	47.89	(324.15)
Profit / (Loss) before tax		**2,268.59**	**(199.59)**
Tax expense:			
Current tax - charge / (credit)		967.02	102.65
Deferred tax - (credit) / charge		(60.09)	(16.79)
		906.93	85.86
Profit / (Loss) for the year		**1,361.66**	**(285.45)**
Other Comprehensive Income / (Loss)			
A (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of defined benefit plans		(14.11)	(39.57)
- Share of other comprehensive income in associates and joint ventures		0.03	0.06
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		4.85	13.75
B (i) Items that will be reclassified to Profit or Loss			
- Exchange differences in translating the financial statements of foreign operations		(11.29)	4.71
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		11.87	34.99
- Gain / (Loss) on fair valuation of loans relating to financing activities		122.97	(278.36)
- Change in allowances for expected credit loss relating to financing activities		-	-
- Share of other comprehensive income in associates and joint ventures		(0.80)	(10.75)
(ii) Income tax relating to items that will be reclassified to Profit or Loss		(35.10)	57.83
Total Other Comprehensive Income / (Loss)		**78.42**	**(217.34)**
Total Comprehensive Income / (Loss) for the year		**1,440.08**	**(502.79)**
Profit / (Loss) for the year attributable to			
Owners of the Company		1,240.81	(358.61)
Non-controlling interests		120.85	73.16
Other Comprehensive Income / (Loss) for the year attributable to			
Owners of the Company		45.98	(152.96)
Non-controlling interests		32.44	(64.38)
Total Comprehensive Income / (Loss) for the year attributable to			
Owners of the Company		1,286.79	(511.57)
Non-controlling interests		153.29	8.78
Earnings / (Loss) per equity share (Face value ₹ 1 each)	3.4		
- Basic (in ₹)		4.23	(1.22)
- Diluted (in ₹)		4.22	(1.22)

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 23, 2023
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN : 01746102

N. Ramanathan
Company Secretary

May 23, 2023
Chennai

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
	₹ Crores	₹ Crores
Cash flow from operating activities		
Profit / (Loss) for the year	**1,361.66**	**(285.45)**
Adjustments for :		
Income tax expense	906.93	85.86
Share of profit of associates and joint ventures (net)	(10.75)	(7.52)
Depreciation and amortisation expense	839.20	816.00
Depreciation of right-of-use asset	61.02	49.96
Share based payment costs	3.54	0.64
Impairment (reversal) / allowance in value of goodwill and net assets of subsidiaries	(1.39)	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)	(14.90)	3.67
Reversal of provision relating to sale of long term investments	-	(1.17)
Impairment (reversal) / loss allowance / write off on trade receivable / other receivables / loans (net)	(82.28)	(12.96)
Net gain arising on financial asset mandatorily measured at FVTPL	(6.72)	(1.14)
Foreign exchange loss / (gain)	37.18	(4.40)
Exchange loss on swap contracts	-	17.10
Profit on sale of Property, plant and equipment (PPE) and intangible assets - net	(13.54)	(0.93)
Profit on sale of investments - net	(36.79)	(13.31)
(Gain) / Loss on fair valuation of investment in fellow subsidiary	(65.67)	107.13
Loss / (Gain) on preclosure of leases	0.07	(0.14)
Finance costs	376.74	334.94
Interest income	(31.03)	(27.73)
Operating profit before working capital changes	**3,323.27**	**1,246.32**
Adjustments for changes in :		
Trade receivables	(902.17)	(254.12)
Inventories	(899.88)	(47.53)
Non-current and current financial assets	(6,724.98)	56.88
Other non-current and current assets	(113.82)	(203.94)
Asset and liabilities classified as held for sale	(9.20)	-
Utilisation from / (Payment to) escrow account	5.32	(9.59)
Contract assets	(7.13)	(2.12)
Related party advances / receivables (net)	1.19	(6.11)
Trade payables	320.02	1,915.84
Non-current and current financial liabilities	384.10	46.78
Other non-current and current liabilities	280.72	96.82
Non-current and current contract liabilities	(0.43)	4.84
Other non-current and current provisions	405.03	56.71
Cash (used in) / from operations	**(3,937.96)**	**2,900.78**
Income tax paid net off refund	(561.30)	(56.22)
Net cash (used in) / from operating activities [A]	**(4,499.26)**	**2,844.56**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
		₹ Crores	₹ Crores
Cash flow from investing activities			
Purchase of PPE and intangible assets		(929.10)	(508.72)
Proceeds on sale of PPE and intangible assets including sale of immovable properties		12.68	9.49
Proceeds on surrender of leasehold land		62.70	97.61
Purchase of controlling stake in a subsidiary		(218.44)	-
Proceeds from sale of non-current investments		-	0.07
Purchase of non-current investments		-	(2.50)
Purchase of current investments (net)		(1,439.64)	(1,283.82)
Proceeds from sale of non-current investments relating to financing activities		568.49	627.07
Purchase of non-current investments relating to financing activities		(818.99)	(876.33)
Proceeds from sale of current investments relating to financing activities		1,584.15	170.29
Purchase of current investments relating to financing activities		(1,968.50)	(281.35)
Proceeds from bank deposits		515.00	752.61
Investment in bank deposits		(391.57)	(663.71)
Redemption of escrow account		-	2.82
Inter Corporate Deposits given		(60.00)	-
Inter Corporate Deposits repaid		113.00	-
Interest received		35.26	39.80
Net cash used in investing activities	**[B]**	**(2,934.96)**	**(1,916.67)**
Cash flow from financing activities			
Proceeds from issue of equity shares (including securities premium)		5.05	-
Issue of shares to non-controlling interest shareholders		1,053.03	137.77
Proceeds from non-current borrowings		15,140.13	9,006.81
Repayments of non-current borrowings		(8,832.36)	(8,173.75)
Proceeds from current borrowings		5,431.27	5,249.79
Repayments of current borrowings		(4,826.06)	(6,066.60)
Payments of lease liability		(66.97)	(50.55)
Interest paid		(329.95)	(304.97)
Dividend paid		(293.55)	(176.13)
Net cash from / (used in) financing activities	**[C]**	**7,280.59**	**(377.63)**
Net cash (outflow) / inflow	**[A+B+C]**	**(153.63)**	**550.26**
Opening cash and cash equivalents		**2,030.96**	**1,481.04**
Pursuant to business combination		28.47	-
Exchange fluctuation on foreign currency bank balances		2.78	(0.34)
Closing cash and cash equivalents (Refer Note 1.13 a)		**1,908.58**	**2,030.96**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Cash Flows referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 23, 2023
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN : 01746102

N. Ramanathan
Company Secretary

May 23, 2023
Chennai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

₹ Crores

Balance as at the beginning of April 1, 2021	Changes in equity share capital during the year	Balance as at the end of March 31, 2022	Changes in equity share capital during the year	Balance as at the end of March 31, 2023
293.55	-	293.55	0.06	293.61

B. Other Equity

₹ Crores

Particulars	Shares application money pending Allotment relating to a subsidiary	Reserves and Surplus							Items of Other comprehensive income				
		Capital Reserve	Securities Premium	Capital Redemption Reserve	Share 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, 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)	-
On issue of equity shares	-	-	1.13	-	-	-	-	-	-	-	-	1.13	-
Recognition of share based payments	-	-	-	-	(0.24)	-	-	-	-	-	-	(0.24)	-
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 reserve 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**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

₹ Crores

Particulars	Shares application money pending Allotment relating to a subsidiary	Reserves and Surplus							Items of Other comprehensive income				
		Capital Reserve	Securities Premium	Capital Redemption Reserve	Share Option Outstanding Account	General Reserve	Statutory Reserve	Retained Earnings	Foreign Currency Translation Reserve	Fair Valuation of Loan Relating to Financing Activities	Cash Flow Hedge Reserve	Attributable to owners of the Company	Non-controlling interests
Balance as at the end of March 31, 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**
Profit / (Loss) for the year	-	-	-	-	-	-	-	1,240.81	-	-	-	1,240.81	120.85
Other comprehensive income / (loss)	-	-	-	-	-	-	-	(5.25)	(12.09)	55.60	7.72	45.98	32.44
Total Comprehensive Income for the year	-	-	-	-	-	-	-	**1,235.56**	**(12.09)**	**55.60**	**7.72**	**1,286.79**	**153.29**
Transaction with owners													
Dividends including tax thereon	-	-	-	-	-	-	-	(293.55)	-	-	-	(293.55)	-
Recognition of share based payments	-	-	-	-	1.87	-	-	-	-	-	-	1.87	-
On issue of shares	0.04	-	543.72	-	-	-	-	-	-	-	-	543.76	-
Issue of equity shares to Non-controlling interest (NCI) and change in interests between the owners and NCI	-	-	(12.88)	-	(0.85)	-	(72.49)	(161.52)	1.42	(42.57)	-	(288.89)	805.25
Transfer to / from retained earnings	-	-	-	-	-	-	98.75	(98.75)	-	-	-	-	-
Balance as at the end of March 31, 2023	**0.04**	**263.87**	**2,544.36**	**3.33**	**42.50**	**1,020.55**	**306.17**	**3,718.69**	**(19.43)**	**362.51**	**17.73**	**8,260.32**	**2,244.81**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 23, 2023
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and Chief Financial Officer
DIN : 01746102

N. Ramanathan
Company Secretary

May 23, 2023
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 23, 2023.

Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

a) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

b) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

c) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

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.

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 and domestic customers which are on credit basis. Sale of engines and gensets and ferrous castings are generally sold on credit basis to customers.

The Group provides retrospective rebates to certain customers based on achievement of targeted volumes and other measures. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., extended warranties, freight & 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 extended 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 INR are translated into Currency Units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve (and attributed to non-controlling interests as appropriate).

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 (including given on lease) - Trucks and buses - Cars and motorcycles	 5 / 10 3	 8 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
Customer relationship	8
Trademark	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, cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 3.6 sets out details of the fair values of the derivative instruments used for hedging purposes.

Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the “Other Income” line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and are included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

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 subsidiary requires 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, 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)	01.04.2022	Additions	Acquisition through business combination (Refer Note 3.18)	Adjustments*	Disposals / Adjustments	31.03.2023	01.04.2022	Charge during the year	Adjustments*	Disposals / Adjustments	31.03.2023	31.03.2023
Freehold land	779.07	42.55	6.26	2.94	-	830.82	-	-	-	-	-	830.82
Buildings	1,961.63	44.39	12.13	10.46	(7.24)	2,021.37	468.18	84.30	2.74	(7.23)	547.99	1,473.38
Buildings given on lease	13.24	-	-	-	-	13.24	1.79	0.29	-	-	2.08	11.16
Plant and equipment	5,717.80	293.94	17.29	7.03	(19.89)	6,016.17	2,854.52	464.60	5.08	(17.27)	3,306.93	2,709.24
Plant and equipment given on lease	0.04	-	-	-	-	0.04	0.02	#	-	-	0.02	0.02
Furniture and fittings	117.25	6.11	7.36	1.35	(1.91)	130.16	86.45	8.31	1.23	(1.80)	94.19	35.97
Furniture and fittings given on lease	0.25	-	-	-	-	0.25	0.25	-	-	-	0.25	-
Vehicles including electric vehicles	139.58	164.33	0.05	1.20	(8.05)	297.11	87.31	15.76	0.93	(7.45)	96.55	200.56
Aircraft given on lease	77.99	-	-	-	-	77.99	54.17	9.74	-	-	63.91	14.08
Commercial vehicles given on lease	-	14.96	-	-	-	14.96	-	0.11	-	-	0.11	14.85
Office Equipment	240.97	41.44	1.93	(7.36)	(4.68)	272.30	178.28	29.15	(4.29)	(4.08)	199.06	73.24
Electrical and other installations on lease hold premises	1.47	0.03	-	-	-	1.50	1.17	0.04	-	-	1.21	0.29
TOTAL	**9,049.29**	**607.75**	**45.02**	**15.62**	**(41.77)**	**9,675.91**	**3,732.14**	**612.30**	**5.69**	**(37.83)**	**4,312.30**	**5,363.61**

Description	01.04.2022	Additions / Adjustments	Capitalised during the year**	31.03.2023
Capital work-in-progress (CWIP)	139.38	571.22	(571.45)	139.15

* Adjustments include currency movements relating to foreign operations.

** Amount of ₹ 36.30 crores directly capitalised in Property, plant and equipment.

CWIP Ageing Schedule

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	124.77	3.8	0.42	10.16	139.15

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion (temporarily suspended) is delayed is as follows:

Particulars	To be Completed In				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project relating to certain facilities / infrastructure development	10.44	-	-	-	10.44

amount is below rounding off norms adopted by the Group.

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (Contd.)

Title deeds of Freehold land not held in the name of the Group

₹ Crores

Sl No	Property Description	Asset Class	Address	Total Acres (Approx.)	Gross / Net carrying value (Refer Sub-Note 6 below)	Reason for not in the name of the Parent Company	Property in the name of
1	Ennore, Tamil Nadu	Freehold Land	Kathivakkam High Road, Ennore, Chennai 600 057	35.22	81.00	This land was acquired from Hinduja Foundries Limited by the Parent Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
2	Uppal, Telangana	Freehold Land	Industrial Development Area, Uppal, Ranga Reddy District, Telangana	15.36	123.00	This land was acquired from Hinduja Foundries Limited by the Parent Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
3	Mallavalli, Andhra Pradesh	Freehold Land	Plot no. 2 & 3 of Model Industrial Park situated at Mallavalli Village, Bapulapadu Mandal, Krishna District	75.00	13.02	The Agreement for Sale has been registered in the name of the Parent Company. The Conveyance Deed is to be executed by the Authority upon fulfillment of the certain conditions by the Parent Company.	Agreement for sale registered in the name of the Parent Company. Final Conveyance deed is to be executed.

Notes:

1. Cost of Buildings pertaining to Parent Company as at March 31, 2023 includes:
   a) ₹ 0.03 crores being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.
   b) ₹ 1.32 crores representing cost of residential flats including undivided interest in land.
2. For details of assets given as security against borrowings, Refer Note 3.13.
3. For amount of contractual commitments for the acquisition of PPE, Refer Note 3.12 (a).
4. Title to Freehold Land relating to a subsidiary at Jainamore, Jharkhand (carrying value ₹ 0.08 crores) is yet to be conveyed to the subsidiary.
5. Expenses capitalised ₹ Nil - Refer Notes 2.3, 2.4 and 2.6 to the Consolidated Financial statements.
6. The gross carrying value and net carrying value of buildings located on freehold and leasehold land for which title is yet to be transferred in the name of the Parent Company amounts to ₹ 221.78 crores and ₹ 186.61 crores respectively.

1.1 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

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	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
Project 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 600057	35.22	81.00	This land was acquired from Hinduja Foundries Limited by the Parent Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
2	Uppal, Telangana	Freehold Land	Industrial Development Area, Uppal, Ranga Reddy District, Telangana	15.36	123.00	This land was acquired from Hinduja Foundries Limited by the Parent Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
3	Mallavalli, Andhra Pradesh	Freehold Land	Plot no. 2 & 3 of Model Industrial Park situated at Mallavalli Village, Bapulapadu Mandal, Krishna District	75.00	13.02	The Agreement for Sale has been registered in the name of the Parent Company. The Conveyance Deed is to be executed by the Authority upon fulfillment of the certain conditions by the Parent Company.	Agreement for sale registered in the name of the Parent Company. Final Conveyance deed is to be executed.

Notes:

1. Cost of Buildings pertaining to Parent Company as at March 31, 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.

1.1a RIGHT-OF-USE ASSET

₹ Crores

DESCRIPTION	Net Carrying Amount 01.04.2022	Additions	Adjustments**	Closure / Preclosure	Charge during the year	Net Carrying Amount 31.03.2023
Leasehold land	316.78	44.74	(0.01)	54.15	20.30	287.06
Buildings	51.66	13.21	0.56	0.37	18.99	46.07
Plant and equipment	6.46	-	-	-	1.00	5.46
Vehicles	16.45	1.46	0.07	-	7.11	10.87
Computer software	35.94	32.48	-	4.92	13.62	49.88
TOTAL	**427.29**	**91.89**	**0.62**	**59.44**	**61.02**	**399.34**

** Adjustments include currency movements relating to foreign operations.

Title deeds of leasehold land not held in the name of the Group

₹ Crores

SL No	Property Description	Asset Class	Address	Total Acres (Approx)	Gross carrying value (Refer Note 1.1 Sub-Note 6)	Net carrying value (Refer Note 1.1 Sub-Note 6)	Reason for not in the name of the Parent Company	Property in the name of
1.	Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.63	The leasehold rights were originally granted to Hinduja Foundries Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Parent Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
2.	Pillaipakkam, Tamil Nadu (Refer Sub-Note 6)	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	113.00	48.96	46.38	The leasehold rights were originally granted to Ashok Leyland Nissan Vehicles Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Parent Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Ashok Leyland Nissan Vehicles Limited (merged with Ashok Leyland Limited)
3.	Bhandara, Maharashtra	Leasehold Land	P O Box 15, Plot No.1, MIDC Industrial Area, Gadegao Lakhani Taluk, Bhandara, Maharashtra	15.82	0.01	0.01	This is a land leased to the Parent Company by the Maharashtra Industrial development Corporation. However, a portion of the land (6.40 hectares) occupied and used by the Parent Company for factory building has been considered unauthorised being a Forest Land. The Parent Company had approached the Mumbai High Court and subsequently pursuant to its orders has applied for the regularisation of the said portion of forest land in exchange of alternate land for afforestation.	Ashok Leyland Limited (under regularisation)

Notes:

1. Escalation clause - the percentage of escalation is up to a maximum of 15%.
2. Discounting rate used for the purpose of computing right to use asset ranges from 2.00% to 8.50%.
3. Rental amount per annum ranges from ₹ 0.01 crores to ₹ 5.00 crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
4. The lease period ranges from 2 years to 90 years over which the right to use asset is depreciated on a straight line basis.
5. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.
6. During the year a portion of leasehold land has been surrendered to State Industries Promotion Corporation of Tamil Nadu (SIPCOT) and surrender value is received by the Parent Company. The Parent Company is in the process of registering the modified lease deed for the balance portion of leasehold land.
7. The lease agreements is for composite use of infrastructure and doesn’t seggregate between the use of the class of underlying assets.

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	5.87	20.66	51.66
Plant and equipment	7.47	-	-	-	-	1.01	6.46
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 carrying value (Refer Note 1.1 Sub-Note 6)	Net carrying value (Refer Note 1.1 Sub-Note 6)	Reason for not in the name of the Parent Company	Property in the name of
1.	Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.77	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 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.
6. 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	01.04.2022	Additions	Acquisition through business combination (Refer Note 3.18)	Adjustments*	Disposals / Adjustments	31.03.2023	01.04.2022	Charge during the year	Adjustments*	Disposals / Adjustments	31.03.2023	31.03.2023
Computer software												
- Developed	114.57	-	-	-	-	114.57	105.08	5.44	-	-	110.52	4.05
- Acquired	181.75	17.53	5.08	10.54	(5.27)	209.63	153.11	17.08	7.32	(0.19)	177.32	32.31
Technical knowhow												
- Developed	1,649.82	159.36	-	13.02	(0.76)	1,821.44	595.95	179.23	6.23	(0.76)	780.65	1,040.79
- Acquired	40.48	28.09	-	0.36	-	68.93	14.17	21.90	0.36	-	36.43	32.50
Customer relationships	-	-	60.99	-	-	60.99	-	2.49	-	-	2.49	58.50
Trademark	-	-	23.38	-	-	23.38	-	0.76	-	-	0.76	22.62
TOTAL	**1,986.62**	**204.98**	**89.45**	**23.92**	**(6.03)**	**2,298.94**	**868.31**	**226.90**	**13.91**	**(0.95)**	**1,108.17**	**1,190.77**

Description	01.04.2022	Additions / Adjustments	Capitalised during the year **	31.03.2023
Intangible assets under development	100.63	227.66	(199.32)	128.97

* Adjustments include currency movements relating to foreign operations.

** Amount of ₹ 5.66 crores directly capitalised in Intangible assets.

Ageing of Intangible assets under development (IAUD)

Particulars	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	47.53	17.01	3.16	-	67.70
Projects temporarily suspended	36.04	3.63	-	21.60	61.27

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion is delayed (includes temporarily suspended projects) is as follows:

Particulars	To be Completed In				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects relating to Technical knowhow - Product development	46.37	-	-	-	46.37

Notes:

1. Additions to Other Intangible assets and Intangible assets under development include:
   a) Expenses capitalised ₹ 201.22 crores - Refer Notes 2.3, 2.4 and 2.6 to the 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	01.04.2021	Additions	Adjustments*	Disposals / Adjustments	31.03.2022	01.04.2021	Charge during the year	Adjustments*	Disposals / Adjustments	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 **	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)

Particulars	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	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:

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:
   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).

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Description	As at March 31, 2023		As at March 31, 2022	
	Nos.	₹ Crores	Nos.	₹ Crores
I) Investment in Equity Instruments (unquoted) (fully paidup unless otherwise stated)				
1) Associates				
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		10.06		8.57
Less: Dividend Income		0.60		-
Carrying amount of Investment		**14.49**		**13.60**
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		20.93		21.81
Less: Dividend Income		0.22		0.07
Carrying amount of Investment		**21.28**		**22.31**
2) Joint Ventures				
a) Equity Shares of ₹ 10 each				
Ashley Alteams India Limited (Refer Sub-Note 3)				
Cost of Acquisition	7,59,47,500	46.51	7,59,47,500	46.51
Less : Group share of Loss		33.98		42.75
Carrying amount of Investment		**12.53**		**3.76**
Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)				
Cost of Acquisition	1,77,92,123	17.81	1,77,92,123	17.81
Less : Group share of Loss		11.27		11.27
Less: Impairment in value of investment		6.54		6.54
Carrying amount of Investment		-		-
b) Equity Shares of GBP 1 each				
Zebeyond Limited				
Cost of Acquisition	150	8.84		-
Less : Group share of Loss		0.45		-
Carrying amount of Investment		**8.39**		**-**
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
Rajalakshmi Wind Energy Limited (formerly Ashok Leyland Wind Energy Limited)	78,12,950	9.12	78,12,950	9.12
Chennai Willingdon Corporate Foundation (Cost ₹ 900)	100	#	100	#
Hinduja Energy (India) Limited (Refer Sub-Note 7)	6,11,47,058	147.00	6,11,47,058	81.33
Kamachi Industries Limited	5,25,000	-	5,25,000	0.53
Prathama Solarconnect Energy Private Limited	1,86,56,912	18.67	1,86,56,912	18.67
HR Vaigai Private Limited (Cost ₹ 26,000)	2,600	#	-	-
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		**231.52**		**149.37**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Description		As at March 31, 2023		As at March 31, 2022	
			Nos.	₹ Crores	Nos.	₹ Crores
II)	**Investment in Preference Shares (unquoted)**					
	Associates					
	6% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹10 each					
	Ashok Leyland Defence Systems Limited	**B**	1,00,00,000	6.93	1,00,00,000	6.89
III)	**Investment in Debentures (unquoted)**					
	Non-convertible Redeemable Debentures (relating to financing activities) (at amortised cost)	**C**		57.40		37.79
IV)	**Investment in Debentures (quoted)**					
	Non-convertible Redeemable Debentures (relating to financing activities) (at amortised cost)	**D**		54.18		-
V)	**Investment in pass-through securities (unquoted) (relating to financing activities) (at amortised cost)**	**E**		57.43		50.58
VI)	**Investment in funds (relating to financing activities) (unquoted) (measured at fair value through profit and loss)**	**F**		172.35		221.87
VII)	**Investment in Security Receipts (relating to financing activities) (unquoted) (measured at fair value through profit and loss)**	**G**		699.82		480.41
VIII)	**Investment in Equity Shares (relating to financing activities) (quoted) (measured at fair value through profit and loss)**	**H**		36.73		30.02
IX)	**Investment in Special Limited Partnership (At Fair value through profit or loss)**					
	Vasuki SCSp (Refer sub note 5)	**I**		24.65		21.56
Total Non-Current Investments		**A+B+C+D+E+F+G+H+I**		**1,341.01**		**998.49**

Amount is below rounding off norms adopted by the Group.

Notes:

1.

Particulars	March 31, 2023	March 31, 2022
	₹ Crores	₹ Crores
Aggregate value of quoted investments	112.19	52.33
Aggregate value of unquoted investments	1,235.36	952.70
Aggregate value of impairment in value of investments	6.54	6.54

2. Investments are fully paid-up shares unless otherwise stated.
3. The equity investments in a joint venture company can be transferred / pledged / disposed off / encumbered only with the consent of banks / financial institutions who have given loans to the joint venture company. The equity investments in certain associates can be disposed off only with the consent of banks / financial institutions who have given loans to these companies.
4. Number of shares held by the Group includes joint holding / beneficial holding.
5. The Group holds 9.09% of Class A units in the special limited partnership.
6. The investments made by the Group is in compliance with section 180 and 186 with respect to layers of investment permitted under the Companies Act, 2013.
7. The Parent Company has recorded a gain on fair valuation of equity investment in Hinduja Energy (India) Limited (HEIL) amounting to ₹ 65.67 crores (March 31, 2022: loss on fair valuation ₹ 107.13 crores) under exceptional item based on business plan of HEIL, external factors and the independent valuers report. The Parent 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 years for the aforementioned entity. Both pre tax discount rate and post tax discount rate gives the same recoverable amount.

		As at March 31, 2023	As at March 31, 2022
		₹ Crores	₹ Crores
1.4	**NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**		
	(Unsecured, considered good)		
	Related parties (Refer Note 3.9)	0.63	0.03
	Others	2.21	-
		2.84	**0.03**

Refer Note 1.12 for ageing of trade receivables

Note:

These are carried at amortised cost.

		As at March 31, 2023	As at March 31, 2022
		₹ Crores	₹ Crores
1.5	**NON-CURRENT FINANCIAL ASSETS - LOANS**		
	(Secured, Considered good unless otherwise stated)		
	Loan to customer under financing activities		
	Considered good	19,219.26	15,121.51
	Considered doubtful	741.44	212.52
		19,960.70	**15,334.03**
	Less: Allowance for loans (as per expected credit loss model)	314.32	443.30
		19,646.38	**14,890.73**

Notes:

1. Loan to customer under financing activities carried at fair value through other comprehensive income	9,543.45	6,389.02

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:

	Opening	Addition / Utilisations (Net)	Closing
March 2023	443.30	(128.98)	314.32
March 2022	522.63	(79.33)	443.30

			As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.6	**NON-CURRENT - OTHER FINANCIAL ASSETS (Unsecured, considered good unless otherwise stated)**			
	a)	Other receivables *		
		Considered good	-	-
		Considered doubtful	3.99	3.99
		Less: Allowance for doubtful receivables	3.99	3.99
			-	-
	b)	Security Deposits		
		Considered good	50.53	33.98
		Considered doubtful	0.75	0.57
		Less: Allowance for doubtful receivables	0.75	0.57
			50.53	**33.98**
	c)	Derivatives designated as hedging instruments carried at fair value	43.14	26.69
	d)	Others		
		i) Employee advances	0.94	2.13
		ii) Other advances (includes refund receivable and items relating to financing activities)	401.60	295.18
		iii) Bank deposits held as security (relating to financing activities) [collateral towards securitisation / assignment of receivables]	-	0.87
			496.21	**358.85**
Of the employee advances mentioned above,				
Due from Officers #			-	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 other receivables is as follows:

Particulars	March 2023	March 2022
Opening balance	3.99	4.34
Add: Additions	-	-
Less: Utilisations / Reversals	-	0.35
Closing balance	3.99	3.99

3. Movement in allowance for doubtful security deposits is as follows:

Particulars	March 2023	March 2022
Opening balance	0.57	-
Add: Additions	0.35	0.57
Less: Utilisations / Reversals / Reclassifications	0.17	-
Closing balance	0.75	0.57

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2023	As at March 31, 2022
		₹ Crores	₹ Crores
1.7	**DEFERRED TAX ASSETS (NET)**		
	i) Deferred tax assets	54.07	27.13
	ii) Deferred tax (liabilities)	(4.99)	-
		49.08	**27.13**

		As at March 31, 2023	As at March 31, 2022
		₹ Crores	₹ Crores
1.8	**NON-CURRENT INCOME TAX ASSETS (NET)**		
	Advance income tax (net of provision)	222.10	213.37
		222.10	**213.37**

		As at March 31, 2023	As at March 31, 2022
		₹ Crores	₹ Crores
1.8a	**CURRENT TAX ASSETS**		
	Advance income tax (net of provision)	1.84	-
		1.84	**-**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.9 OTHER NON-CURRENT ASSETS (Unsecured, considered good unless otherwise stated)		
a) Capital Advances		
Considered good	43.98	48.02
Considered doubtful	1.66	0.82
Less: Allowance for doubtful advances	1.66	0.82
	43.98	**48.02**
b) Balances with Government Authorities - Goods and Services, customs, port trust, central excise etc. (including paid under protest)		
Considered good	5.98	8.34
Considered doubtful	2.96	2.96
Less: Allowance for doubtful balances	2.96	2.96
	5.98	**8.34**
c) Others		
i) Sales tax paid (including paid under protest)	213.53	207.41
ii) Other advances (includes prepaid expenses, etc.)	67.03	75.52
	280.56	**282.93**
	330.52	**339.29**

Notes:

1. Movement in Allowance for doubtful advances towards capital advances is as follows:

Particulars	March 2023	March 2022
Opening balance	0.82	1.91
Add: Additions	0.84	-
Less: Utilisations / Reversals	-	1.09
Closing balance	1.66	0.82

2. 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 2023	March 2022
Opening balance	2.96	0.06
Add: Additions / Reclassifications	-	2.90
Less: Utilisations	-	-
Closing balance	2.96	2.96

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.10 INVENTORIES		
a) Raw materials and components	1,482.83	1,220.50
b) Work-in-progress	332.98	309.30
c) Finished goods	1,237.92	679.06
d) Stock-in-trade		
i) Commercial vehicles	8.87	6.03
ii) Spare parts and auto components (including works made)	281.64	227.18
e) Stores, spares and consumable tools	96.19	98.48
	3,440.43	**2,540.55**

Notes:

1. Goods-in-transit included above are as follows:

	March 2023	March 2022
a) Raw materials and components	43.72	80.48
b) Stock-in-trade		
(i) Commercial vehicles	8.39	5.43
(ii) Spares parts and auto components (including works made)	2.81	#

2. Cost of inventories (including cost of stock-in-trade purchased and write down of inventories) recognised as an expense during the year are ₹28,818.90 crores (2021-22: ₹17,613.26 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, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.11 CURRENT FINANCIAL ASSETS - INVESTMENTS (Unquoted)		
i) Investments in mutual funds (carried at fair value through profit or loss) (March 2023: 33,602,943.56 units March 31, 2022: 31,600,536.79 units) (relating to financing activity March 31, 2023: 14,527,347 units and March 31, 2022: Nil)	3,171.40	1,298.05
ii) Investments in pass through securities (relating to financing activities) (Carried at amortised cost)	100.57	133.69
iii) Investments in non-convertible redeemable debentures (relating to financing activities) (Carried at amortised cost)	98.78	71.76
iv) Investment in security receipts (relating to financing activities) (measured at fair value through profit and loss)	79.27	135.07
(Quoted)		
i) Investments in non-convertible redeemable debentures (relating to financing activities) (Carried at amortised cost)	61.32	15.06
	3,511.34	**1,653.63**

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.12 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES (Unsecured)		
Considered good		
Related parties (Refer Note 3.9)	44.52	68.00
Others	4,142.84	3,196.09
Considered doubtful		
Others	146.41	140.36
Less: Loss allowance	146.41	140.36
	4,187.36	**3,264.09**

Ageing for trade receivable (Refer Notes 1.4 and 1.12) ₹ Crores

Year ended March 31, 2023	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables							
- considered good	3,568.46	426.45	10.60	18.49	5.65	32.64	4,062.29
(ii) Disputed Trade Receivables							
- considered good	-	13.36	6.09	20.04	19.27	215.56	274.32
Gross Receivables	**3,568.46**	**439.81**	**16.69**	**38.53**	**24.92**	**248.20**	**4,336.61**
Less: Provision							146.41
Total							**4,190.20**

₹ 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	2,724.74	321.47	34.19	13.83	5.74	35.28	3,135.25
(ii) Disputed Trade Receivables							
- considered good	-	23.65	9.99	19.27	22.48	193.84	269.23
Gross Receivables	**2,724.74**	**345.12**	**44.18**	**33.10**	**28.22**	**229.12**	**3,404.48**
Less: Provision							140.36
Total							**3,264.12**

Notes:

1. Movement in loss allowance is as follows:

Particulars	March 2023	March 2022
Opening balance	140.36	152.84
Add: Additions / Transfer	13.98	16.73
Less: Utilizations / Reversals	7.93	29.21
Closing balance	146.41	140.36

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, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.13a CASH AND CASH EQUIVALENTS		
i) Balances with banks:		
a) In current accounts	1,334.40	827.47
b) In cash credit accounts	446.22	472.73
c) In deposit accounts *	57.76	521.37
ii) Cheques on hand	47.25	161.92
iii) Cash and stamps on hand	22.95	47.47
	1,908.58	**2,030.96**
1.13b BANK BALANCES OTHER THAN (a) ABOVE		
i) Unclaimed dividend accounts (earmarked)	10.30	10.51
ii) Escrow bank account (earmarked)	36.88	42.20
iii) Deposits with original maturity of more than 3 months but less than 12 months	230.96	54.49
	278.14	**107.20**

* This represents deposits with original maturity of less than or equal to 3 months.

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.14 CURRENT FINANCIAL ASSETS - LOANS (Secured, Considered good unless otherwise stated)		
Loan to customer under financing activities		
Considered good	8,537.05	6,311.54
Considered doubtful	559.16	897.84
	9,096.21	**7,209.38**
Less: Allowance for loans (as per expected credit loss model)	414.78	391.35
	8,681.43	**6,818.03**
Notes:		
1. Loan to customer under financing activities carried at fair value through other comprehensive income.	5,371.42	3,838.89

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:

	Opening	Addition / Utilisations (Net)	Closing
March 2023	391.35	23.43	414.78
March 2022	325.73	65.62	391.35

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

			As at March 31, 2023	As at March 31, 2022
			₹ Crores	₹ Crores
1.15	**CURRENT - OTHER FINANCIAL ASSETS (Unsecured, considered good unless otherwise stated)**			
	a)	Interest accrued :		
		- Relating to financing activities	-	0.23
		- Others	9.14	13.37
	b)	Employee advances	24.75	21.78
	c)	Derivatives designated as hedging instruments carried at fair value	55.79	19.32
	d)	Related parties (Refer Note 3.9)		
		- Other advances	0.31	1.29
	e)	Intercorporate deposits	-	53.00
	f)	Revenue grants receivable		
		- Considered good	25.65	38.03
		- Considered doubtful	8.89	8.89
			34.54	**46.92**
		Less: Allowance for doubtful receivables	8.89	8.89
			25.65	**38.03**
	g)	Bank deposits with original maturity of greater than 12 months	200.10	500.00
	h)	Receivable from Government authorities		
		- Considered good	3.75	11.25
		- Considered doubtful	3.90	3.90
			7.65	**15.15**
		Less: Allowance for doubtful receivables	3.90	3.90
			3.75	**11.25**
	i)	Security Deposits		
		- Considered good	11.20	25.64
		- Considered doubtful	0.07	-
			11.27	**25.64**
		Less: Allowance for doubtful receivables	0.07	-
			11.20	**25.64**
	j)	Subsidy receivable from Government	155.50	-
	k)	Others (includes expenses recoverable, items relating to financing activity, etc.)		
		Considered good*	295.95	238.54
		Considered doubtful	36.86	20.82
			332.81	**259.36**
		Less: Allowance for doubtful receivables	36.86	20.82
			295.95	**238.54**
			782.14	**922.45**
		Of the employee advances mentioned above,		
		Due from Officers #	0.00	0.00

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. 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 2023	March 2022
Opening balance	8.89	1.93
Add: Additions	-	6.96
Less: Utilisations / Reversals	-	-
Closing balance	8.89	8.89

4. Movement in Allowance for doubtful receivables - Others (includes expenses recoverable, items relating to financing activity, etc.) are as follows:

Particulars	March 2023	March 2022
Opening balance	20.82	20.83
Add: Additions	7.04	-
Add: Reclassification	9.00	-
Less: Utilisations / Reversals	-	0.01
Closing balance	36.86	20.82

5. Movement in Allowance for doubtful receivable (Receivable from government authorities) is as follows:

Particulars	March 2023	March 2022
Opening balance	3.90	-
Add: Transfer	-	3.90
Less: Utilisations / Reversals	-	-
Closing balance	3.90	3.90

6. Movement in Allowance for doubtful deposits is as follows:

Particulars	March 2023	March 2022
Opening Balance	-	-
Add: Addition	0.07	-
Less: Utilisations / Reversals	-	-
Closing Balance	0.07	-

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
1.16 CONTRACT ASSETS (Unsecured, considered good)		
Unbilled revenue (Refer note 3.7)	32.84	21.84
	32.84	**21.84**

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ 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	174.22	151.96
Considered doubtful	1.13	1.04
Less: Allowance for doubtful advances	1.13	1.04
	174.22	**157.12**
b) Balances with Government Authorities - Goods and Services, customs, port trust, central excise etc.	1,017.45	824.60
c) Others *	155.75	234.20
	1,347.42	**1,215.92**
* Includes:		
- Sales tax paid under protest	0.01	0.66
- Prepaid expenses	149.15	229.49
- Gratuity (Refer Note 3.3)	0.28	-

Note:

Movement in allowance for doubtful advances is as follows:

Particulars	March 2023	March 2022
Opening balance	1.04	0.69
Add: Additions / Reclassifications	0.09	0.67
Less: Utilisations / Reversals	-	0.32
Closing balance	1.13	1.04

	As at March 31, 2023	As at March 31, 2022
	₹ 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)	47.15	42.53
Right-of-use asset (Refer Note 1.1a)	5.87	5.87
Non-current and current financial assets (includes trade and other receivables, etc.)	13.82	11.74
Non-current and current assets	0.73	0.66
Inventories	4.35	2.83
	71.92	**63.63**

	As at March 31, 2023	As at March 31, 2022
	₹ 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.)	10.76	9.90
Non-current and current liabilities (includes contract liabilities, etc.)	0.05	1.74
Non-current and current provision (includes provision for employee benefits)	0.06	0.14
	10.87	**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 (step down 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 fair value of the EMAAS business was determined using the Income approach. In this approach, the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the business. This is a level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures. The key inputs are:

a) the estimated cash flows; and
b) the discount rate to compute the present value of the future expected cash flows

The transfer of business will be consummated on receipt of certain other approvals expected within the next twelve months.

		As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.18	**EQUITY SHARE CAPITAL**		
	Authorised		
	27,85,60,00,000 (March 2022: 27,85,60,00,000) Equity shares of ₹ 1 each	2,785.60	2,785.60
		2,785.60	**2,785.60**
	Issued		
	a) 2,28,98,12,796 (March 2022: 2,28,92,12,796) Equity shares of ₹ 1 each	228.98	228.92
	b) 64,63,14,480 (March 2022: 64,63,14,480) Equity shares of ₹ 1 each issued through Global Depository Receipts	64.63	64.63
		293.61	**293.55**
	Subscribed and fully paid up		
	a) 2,28,98,12,796 (March 2022: 2,28,92,12,796) Equity shares of ₹ 1 each	228.98	228.92
	b) 64,63,14,480 (March 2022: 64,63,14,480) Equity shares of ₹ 1 each issued through Global Depository Receipts	64.63	64.63
		293.61	**293.55**
	Add: Forfeited shares (amount originally paid up in respect of 760 shares) #	0.00	0.00
		293.61	**293.55**

Amount is below rounding off norms adopted by the Group.

Shares held by promoters as at March 31, 2023				% Change during the year
S.No	**Name of the Promoter**	**No. of Shares**	**% of total shares**	
1.	Hinduja Automotive Limited (including shares held through GDRs through Citibank N A, New York)	1,34,86,28,818	45.93	0.01
2.	Hinduja Bank (Switzerland) Ltd (held on behalf of Hinduja Automotive Limited)	14,49,04,064	4.94	-
3.	Hinduja Foundries Holdings Limited	71,27,379	0.24	-
	Total	**1,50,06,60,261**	**51.11**	**0.01**

Shares held by promoters as at March 31, 2022				% Change during the year
S.No	**Name of the Promoter**	**No. of Shares**	**% of total shares**	
1.	Hinduja Automotive Limited (including shares held through GDRs through Citibank N A, New York)	1,34,86,28,818	45.94	-
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

	March 2023	March 2022
Balance as at the beginning	2,93,55,27,276	2,93,55,27,276
Add: Issued during the year (Refer Note 3.5)	6,00,000	-
Balance as at the end of the year	2,93,61,27,276	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, 80,658,292 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, 2023, there are 35,29,18,140 (March 2022: 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 2022: 1,16,43,32,742) Equity shares and 54,86,669 (March 2022: 54,86,669) Global Depository Receipts (GDRs) equivalent to 32,92,00,140 (March 2022: 32,92,00,140) Equity shares of ₹ 1 (March 2022: ₹ 1) each aggregating to 50.87% (March 2022: 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 Parent Company other than the Holding Company as at March 31, 2023 and March 31, 2022.

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 2022: 60 equity shares) of ₹ 1 each, per GDR, and their voting rights can be exercised through the Depository.

7. The Parent Company allotted 600,000 (March 2022: Nil) equity shares pursuant to the exercise of options under Employee Stock Option Plan Scheme. For Information relating to Employees Stock Option Plan Scheme including details of options outstanding as at March 31, 2023 - Refer Note 3.5.

			As at March 31, 2023	As at March 31, 2022
			₹ Crores	₹ Crores
1.19 OTHER EQUITY				
a)	Share application money pending allotment	A	0.04	-
b)	Capital Reserve	B	263.87	263.87
c)	Securities Premium	C	2,544.36	2,013.52
d)	Capital Redemption Reserve	J	3.33	3.33
e)	Share Options Outstanding Account	D	42.50	41.48
f)	General Reserve	E	1,020.55	1,020.55
g)	Cash Flow Hedge Reserve	F	17.73	10.01
h)	Statutory Reserve	G	306.17	279.91
i)	Foreign Currency Translation Reserve	H	(19.43)	(8.76)
j)	Retained Earnings	I	3,718.69	3,036.95
k)	Other Comprehensive Income - Fair valuation on loans relating to financing activities	K	362.51	349.48
			8,260.32	**7,010.34**

Refer “Consolidated Statement of Changes in Equity” for additions / deletions in each reserve.

Notes:

A. Share application money pending allotment is relating to share application money received by a subsidiary and which is pending allotment as on March 31, 2023.

B. Capital reserve represents reserve created pursuant to the business combinations.

C. Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

D. Share options outstanding account relates to stock options granted by the Group to employees under an employee stock options plan. (Refer Note 3.5)

E. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

F. Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated in this reserve are reclassified to profit or loss only when the hedged transaction affects the profit or loss.

G. The statutory reserve has been created pursuant to statutory regulations at a percentage of profit for the year.

H. Foreign currency translation reserve represents exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Indian Rupees) which are recognised directly in other comprehensive income and accumulated in this foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

I. In respect of the year ended March 31, 2023, the Board of Directors has declared a dividend of ₹2.60 per equity share (dividend for March 2022: ₹ 1.00 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.

J. Capital redemption reserve represent the reserve arising pursuant to the business combination during 2016-17.

K. Other Comprehensive Income - Fair valuation on loans relating to financing activities represents gains / (losses) arising on fair valuation of loan relating to financing activities carried at fair value through other comprehensive income.

			As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.20	**NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**			
	a)	**Secured borrowings**		
	i)	Redeemable non-convertible debentures	278.80	1,674.39
	ii)	Term loan from banks	17,822.25	11,826.77
	iii)	SIPCOT soft loan	31.18	31.18
	b)	**Unsecured borrowings**		
	i)	Subordinated Redeemable non-convertible debentures	843.43	966.55
	ii)	External commercial borrowings from banks	385.86	657.14
	iii)	Interest free sales tax loans	66.41	66.41
	iv)	Other subordinated loans	74.93	74.86
			19,502.86	**15,297.30**

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 36,500,000 (March 2022: 36,500,000) Non-Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10 each valuing ₹ 36.50 crores (March 2022: ₹ 36.50 crores) and 77,000,000 (March 2022: 77,000,000) Non-Convertible Redeemable Preference Shares of ₹ 100 each valuing ₹ 770.00 crores (March 2022: ₹ 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, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
a)	**Secured borrowings**		
	9,600 (March 31, 2022: 13,300) Redeemable non-convertible debentures	79.77	878.51
	Term loans from banks	16,037.22	10,526.77
b)	**Unsecured borrowings**		
	9,750 (March 31, 2022: 11,550) Subordinated Redeemable non-convertible debentures	843.43	966.55
	Other subordinated loans	74.93	74.86
		17,035.35	**12,446.69**

			As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.21	**NON-CURRENT - OTHER FINANCIAL LIABILITIES**			
	a)	Capital creditors	0.99	3.71
	b)	Derivatives designated in hedging relationships carried at fair value	-	5.05
	c)	Others (Includes security deposit payable, etc.)*	104.19	134.44
	d)	Earnout liability relating to a subsidiary**	58.83	-
			164.01	**143.20**

Note:

These (except derivatives and earnout liability) are carried at amortised cost. Derivatives and Earnout liability are carried at fair value through profit or loss / other comprehensive income.

* Includes RSP Participation fee payable relating to financing activities amounting to ₹ 82.17 crores (March 31, 2022: ₹ 113.76 crores)

** Represents fair value of contingent consideration payable in relation to a subsidiary, payable over a period of 3 years. Also refer note 3.18.

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
1.22 NON-CURRENT CONTRACT LIABILITIES		
Income received in advance (Refer Note 3.7)	250.04	193.83
	250.04	**193.83**

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
1.23 NON-CURRENT PROVISIONS		
a) Provision for employee benefits		
i) Compensated absences	110.68	104.70
ii) Others including post retirement benefits [Refer Note 3.3]	72.98	16.41
b) Provision for product warranties	425.56	130.35
c) Provision in relation to net assets of a subsidiary (Refer Note 3.25)	18.77	27.97
d) Other provisions (includes provision for litigation)	5.29	4.56
	633.28	**283.99**

Notes:

1. Movement in Provision for product warranties is as follows:

Particulars	March 2023	March 2022
Opening balance (Current (Refer Note 1.30) and Non-current)	415.42	351.46
Add: Provided during the year (includes unwinding of discount)	740.87	235.80
Less: Utilisations (net)	368.64	171.84
Closing balance (Current (Refer Note 1.30) and Non-current)	787.65	415.42

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which ranges upto 72 months (March 31 2022: upto 60 months).

2. Movement in Other Provisions (includes provision for litigation) is as follows:

Particulars	March 2023	March 2022
Opening balance	4.56	8.26
Add: Additions	0.73	27.36
Less: Transfer / Reversal	-	31.06
Closing balance	5.29	4.56

3. Movement in Provisions in relation to net assets of a subsidiary is as follows:

Particulars	March 2023	March 2022
Opening balance	27.97	-
Add: Additions	-	27.97
Less: Utilisations / Reversals	9.20	-
Closing balance	18.77	27.97

		As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.24	**DEFERRED TAX LIABILITIES (NET)**		
i)	Deferred tax liabilities	1,045.26	1,056.36
ii)	Deferred tax (assets)*	(323.26)	(740.53)
		722.00	**315.83**

* Includes Unused tax credits (MAT credit entitlement) of ₹ 174.57 crores (March 2022: ₹ 584.85 crores).

Note:

Refer Note 3.2 for details of deferred tax liabilities and assets.

		As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.25	**OTHER NON-CURRENT LIABILITIES**		
	Others	13.68	-
		13.68	**-**

		As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.26	**CURRENT FINANCIAL LIABILITIES - BORROWINGS**		
a)	**Secured borrowings**		
	Loans from banks	1,496.46	927.48
	Bills discounted	13.06	-
b)	**Unsecured borrowings**		
	Loans from banks	512.43	739.34
	Commercial papers	196.42	-
	Loan from related parties (Refer Note 3.9)	85.89	-
	Bills discounted	105.57	116.83
c)	Current maturities of long-term debt	9,007.75	6,858.40
		11,417.58	**8,642.05**

Notes :

1. These are carried at amortised cost.
2. Out of the above, borrowings relating to financing activities:

Particulars	March 2023	March 2022
- Secured - Loans from Banks	848.10	640.71
- Current maturities of long-term debt	7,855.51	6,468.74
- Commercial papers	196.42	-

3. Current maturities of long term debts:

Particulars	March 2023	March 2022
Secured	8,678.11	6,606.24
Unsecured	329.64	252.16

4. Commercial paper - maximum balance outstanding during the year is ₹ 1,000 crores (March 2022: ₹ 1,250 crores).
5. The Group has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
6. Refer Note 3.13 for security, terms of the borrowings and net debt reconciliation.
7. Refer Note 3.6 for details of debt covenants.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.27 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
Trade payables - including acceptances		
a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 3.17)	77.09	62.63
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,504.78	7,187.28
	7,581.87	**7,249.91**

Trade Payables ageing schedule

₹ Crores

Particulars	As at 31st March 2023						
	Outstanding for following periods from due date of payment						
	Un-billed (includes accrued expenses / liabilities)	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - Micro and Small Enterprises	0.97	75.49	0.63	-	-	-	77.09
(ii) Undisputed dues - Others	940.07	5,737.79	822.31	2.93	1.20	0.48	7,504.78
(iii) Disputed dues – Micro and Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**941.04**	**5,813.28**	**822.94**	**2.93**	**1.20**	**0.48**	**7,581.87**

₹ Crores

Particulars	As at 31st 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**

Notes:

1. These are carried at amortised cost.
2. Includes acceptances amounting to ₹ 269.73 crores (March 2022: ₹ 673.21 crores)

		As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.28	**CURRENT - OTHER FINANCIAL LIABILITIES**		
a)	Interest accrued but not due on borrowings	237.55	219.33
b)	Unclaimed dividends	10.30	10.51
c)	Employee benefits	462.72	229.41
d)	Capital creditors		
	i) Total outstanding dues of micro enterprises and small enterprises [Refer Note 3.17]	6.17	8.06
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	80.34	147.53
e)	Derivatives designated in hedging relationships carried at fair value	1.43	6.86
f)	Assignees towards collections in assigned assets (relating to financing activities)	223.76	242.69
g)	Earnout Liability relating to a subsidiary (Ref Note 3.18)	31.51	-
h)	Others*	547.98	323.67
		1,601.76	**1,188.06**
	* Includes:		
	Refund liabilities	361.66	261.42
	RSP Participation fees payable relating to financing activities	27.32	-

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 securities and terms of the borrowings.
3. Interest accrued but not due on borrowings include ₹ 181.20 crores (2022: ₹ 172.98 crores) relating to financing activities.
4. Refer Note 3.6 for details of debt covenants.

		As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.29	**CURRENT CONTRACT LIABILITIES**		
a)	Income received in advance	293.22	301.14
b)	Advance from customers	165.13	197.61
		458.35	**498.75**

Note:

Refer Note 3.7 for disclosures relating to revenue from contracts with customers

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.30 CURRENT PROVISIONS		
a) Provision for employee benefits		
i) Compensated absences	25.88	26.15
ii) Others including Post retirement benefits [Refer Note 3.3]	89.47	87.14
b) Others		
i) Provision for product warranties	362.09	285.07
ii) Other provisions (including litigation matters)	109.08	134.32
	586.52	**532.68**

Notes:

1. Movement in Provision for product warranties Refer Note 1.23
2. Movement in Other Provisions (including litigation matters) is as follows:

Particulars	March 2023	March 2022
Opening Balance	134.32	133.42
Add: Additions / Transfer	5.25	3.64
Less: Utilisations / Reversals	30.49	2.74
Closing Balance	109.08	134.32

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.31 OTHER CURRENT LIABILITIES		
a) Statutory liabilities	586.94	317.45
b) Accrued gratuity (Refer Note 3.3)	8.29	6.12
c) Others	22.95	0.18
	618.18	**323.75**

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
1.32 CURRENT TAX LIABILITIES (NET)		
Provision for taxation (net of advance tax)	128.30	123.82
	128.30	**123.82**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
2.1 REVENUE FROM OPERATIONS			
a) Sale of products			
- Commercial vehicles			
Manufactured		32,508.71	18,384.30
Traded		232.44	360.35
- Engines and gensets		991.41	985.76
- Ferrous castings and patterns		609.33	469.02
- Spare parts and others		2,587.26	2,069.77
	(A)	**36,929.15**	**22,269.20**
b) Sale of services	(B)	1,530.37	952.83
c) Interest / other finance income relating to financing activities	(C)	3,647.88	3,216.12
d) Other operating revenues			
- Grant Income		0.75	0.08
- Export incentives		50.39	40.87
- Scrap sales		118.19	76.84
- Others		14.97	9.10
	(D)	**184.30**	**126.89**
	(A+B+C+D)	**42,291.70**	**26,565.04**
Less : Rebates and discounts		619.10	327.89
		41,672.60	**26,237.15**

	Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
2.2 OTHER INCOME		
a) Interest income from financial assets measured at amortised cost		
i) Others	31.03	27.73
	31.03	**27.73**
b) Profit on sale of investments (net) - Current investments	30.05	13.31
	30.05	**13.31**
c) Other non-operating income		
i) Profit on sale of Property, Plant and Equipment (net)	13.54	0.93
ii) Net gain / (loss) arising on financial asset mandatorily measured at FVTPL	6.72	1.14
iii) Others	29.43	43.70
	49.69	**45.77**
	110.77	**86.81**

			Year ended March 31, 2023	Year ended March 31, 2022
			₹ Crores	₹ Crores
2.3	EMPLOYEE BENEFITS EXPENSE			
	a)	Salaries and wages	2,869.23	2,283.15
	b)	Contribution to provident and other funds	179.98	157.77
	c)	Share based payment costs *	3.54	0.64
	d)	Staff welfare expenses	239.65	194.85
			3,292.40	**2,636.41**
		Less: Expenses capitalised	58.02	19.65
			3,234.38	**2,616.76**

. * For share options given by the Group to employees under employee stock option plan - Refer Note 3.5.

			Year ended March 31, 2023	Year ended March 31, 2022
			₹ Crores	₹ Crores
2.4	FINANCE COSTS			
	a)	Interest expense	364.93	328.55
		(including impact of unwinding of discount rate)		
	b)	Interest and other borrowing costs relating to financing activities	1,716.76	1,534.11
	c)	Interest on Lease Liability	14.50	8.72
			2,096.19	**1,871.38**
		Less: Expenses capitalised	2.69	2.33
			2,093.50	**1,869.05**

Note:

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the year - 7.67% p.a. (March 31, 2022 - 8.36% p.a.).

			Year ended March 31, 2023	Year ended March 31, 2022
			₹ Crores	₹ Crores
2.5	**DEPRECIATION AND AMORTISATION EXPENSE**			
	A)	**Property, plant and equipment**		
		i) Buildings	84.30	81.88
		ii) Plant and equipment	464.60	467.93
		iii) Furniture and fittings	8.31	9.62
		iv) Vehicles including electric vehicles	15.76	23.26
		v) Commercial vehicles given on lease	0.11	-
		vi) Office equipment	29.15	28.57
		vii) Assets given on lease		
		- Buildings	0.29	0.29
		- Plant and equipment	#	#
		- Aircraft	9.74	9.74
		viii) Electrical and other installations on lease hold premises	0.04	0.04
			612.30	**621.33**
	B)	**Other Intangible assets**		
		i) Computer software		
		- Developed	5.44	16.52
		- Acquired	17.08	22.26
		ii) Technical knowhow		
		- Developed	179.23	147.79
		- Acquired	21.90	8.10
		iii) Customer relationships	2.49	-
		iv) Trademark	0.76	-
			226.90	**194.67**
	C)	**Depreciation of Right-of-use asset**	61.02	49.96
			900.22	**865.96**

Amount is below rounding off norms adopted by the Group.

Also Refer Notes 1.1, 1.2, and 1.1A.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

			Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
2.6	**OTHER EXPENSES**			
	(a)	Consumption of stores and tools	116.65	73.56
	(b)	Power and fuel	279.44	189.67
	(c)	Rent (Refer Note 3.10)	13.69	15.27
	(d)	Repairs and maintenance		
		- Buildings	59.27	49.36
		- Plant and machinery	187.18	162.20
		- Others	16.72	11.64
	(e)	Insurance	47.86	45.85
	(f)	Rates and taxes, excluding taxes on income	18.61	19.54
	(g)	Research and development (includes materials consumed and testing charges)	140.56	129.83
	(h)	Service and product warranties	852.02	455.85
	(i)	Packing and forwarding charges	819.03	540.90
	(j)	Selling and administration expenses (net) (includes hire charges, travel expenditure, advertisement expenditure, consultancy charges, etc)	1,141.19	605.24
	(k)	Annual maintenance contracts	249.60	218.75
	(l)	Service provider fees (including sourcing and commission expenses relating to financing activities)	64.34	59.62
	(m)	Impairment loss allowance / write off on trade receivable (net)	4.75	(10.74)
	(n)	Impairment loss allowance / write off on other receivable (net)	9.24	6.65
	(o)	Impairment loss allowance / write off relating to financing activities	646.78	747.42
			4,666.93	**3,320.61**
		Less: Expenses capitalised	140.51	78.72
			4,526.42	**3,241.89**
	Note:			
	Selling and administration expenses include items relating to Parent Company:			
		- Directors' sitting fees	1.06	1.23
		- Commission to Non Whole-time Directors	4.92	3.00

			Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
2.7	**EXCEPTIONAL ITEMS :**			
	a)	Impairment in value of goodwill & Net assets of Subsidiaries		
		- Albonair GmbH (Refer Note 3.25)	9.20	(236.91)
		- Ashley Aviation	(7.81)	-
	b)	Provision for obligations relating to a subsidiary		
		- Optare plc	(29.09)	-
	c)	Reversal of provision for Obligation in relation to Optare Plc	-	81.00
	d)	Loss on fair valuation of Investment in Hinduja Energy (India) Limited (Refer Note 1.3)	65.67	(107.13)
	e)	Voluntary Retirement Scheme	(4.98)	(28.75)
	f)	Obligation relating to discontinued products of LCV division (net of reversal)	14.90	(3.67)
	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 Notes 1.17A and 1.17B)	-	(26.84)
	i)	Reversal of provision relating to sale of long term investments	-	1.17
			47.89	**(324.15)**

3.1 BASIS OF CONSOLIDATION

3.1.1 The Consolidated Financial Statements relate to Ashok Leyland Limited (the "Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together constitute "the Group"), its joint ventures and associates.

3.1.2 **Principles of consolidation**

a. The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard 110 (Ind AS 110) “Consolidated Financial Statements”, Indian Accounting Standard 28 (Ind AS 28) “Investments in Associates and Joint Ventures" prescribed under Section 133 of the Companies Act, 2013 (the "Act").

b. The Consolidated Financial Statements of the Group have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.

c. The difference between the proceeds from the disposal of investments in the subsidiary and the carrying amount of its assets and liabilities as on the date of disposal is recognised as profit or loss on disposal of investments in the subsidiary in the Consolidated Statement of Profit and Loss.

d. Non-controlling interests in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non-controlling shareholders at the dates on which investments are made by the Parent Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

e. The following subsidiaries are considered in the Consolidated Financial Statements:

Sl. No.	Name of the Subsidiary	Country of Incorporation	% of ownership interest	
			March 31, 2023	March 31, 2022
1.	Hinduja Leyland Finance Limited and its subsidiaries	India	60.42%	68.80%
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	81.73%	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, its subsidiaries and joint venture	India	73.83%	98.91%
13.	Vishwa Buses and Coaches Limited	India	100.00%	100.00%
14.	Gro Digital Platforms Limited (from April 14, 2021)	India	80.21%	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, 2023.

f. The following Joint Ventures have been considered in the preparation of Consolidated Financial Statements of the Group in accordance with Ind AS 28 “Investments in Associates and Joint Ventures”:

Sl. No.	Name of the Joint Venture	Country of Incorporation	% of Ownership interest	
			March 31, 2023	March 31, 2022
1.	Ashley Alteams India Limited	India	50.00%	50.00%
2.	Zebeyond Limited, United Kingdom (Joint venture of Hinduja Tech Limited and its subsidiaries)	UK	50.00%	-
3.	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”:

Sl. No.	Name of the Associate	Country of Incorporation	% of ownership interest	% of ownership interest
			March 31, 2023	March 31, 2022
1.	Ashok Leyland Defence Systems Limited	India	48.49%	48.49%
2.	Mangalam Retail Services Limited	India	37.48%	37.48%
3.	Lanka Ashok Leyland PLC	Sri Lanka	27.85%	27.85%

Rajalakshmi Wind Energy Limited (formerly Ashok Leyland Wind Energy Limited) and Prathama Solarconnect Energy Private Limited, where the Parent Company holds 26% is not treated as an associate under Ind AS 28, as the Group does not exercise significant influence over the entities.

3.1.3 Additional Information, as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries, Joint Ventures and Associates

S No	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other comprehensive income		Share in Total comprehensive income	
		As a % of Consolidated Net Assets	Amount ₹ Crores	As a % of Consolidated Profit or (Loss)	Amount ₹ Crores	As a % of Consolidated Other comprehensive income	Amount ₹ Crores	As a % of Consolidated Total comprehensive income	Amount ₹ Crores
	Parent Company								
1.	Ashok Leyland Limited	98.50	8,425.80	111.23	1,380.11	(5.74)	(2.64)	107.04	1,377.47
	Indian Subsidiaries								
2.	Hinduja Leyland Finance Limited and its subsidiaries	65.43	5,596.62	39.78	493.61	202.50	93.11	45.60	586.72
3.	Global TVS Bus Body Builders Limited	0.43	36.79	-	0.03	(0.20)	(0.09)	-	(0.06)
4.	Gulf Ashley Motor Limited	0.07	5.95	(0.41)	(5.08)	(0.11)	(0.05)	(0.40)	(5.13)
5.	HLF Services Limited	0.17	14.52	0.19	2.34	2.52	1.16	0.27	3.50
6.	Albonair (India) Private Limited	1.70	145.32	5.81	72.09	0.24	0.11	5.61	72.20
7.	Ashley Aviation Limited	0.07	6.30	(0.38)	(4.70)	(0.15)	(0.07)	(0.37)	(4.77)
8.	Hinduja Tech Limited, its subsidiaries and joint venture	2.40	205.69	1.65	20.51	7.59	3.49	1.87	24.00
9.	Vishwa Buses and Coaches Limited	0.32	27.72	(0.38)	(4.67)	(0.02)	(0.01)	(0.36)	(4.68)
10.	Gro Digital Platforms Limited (from April 14, 2021)	0.12	10.45	(0.76)	(9.38)	(0.30)	(0.14)	(0.74)	(9.52)
	Foreign Subsidiaries								
11.	Ashok Leyland (Nigeria) Limited	0.01	0.87	0.07	0.88	-	-	0.07	0.88
12.	Ashok Leyland (Chile) S.A #	0.00	0.26	-	(0.04)	-	-	-	(0.04)
13.	Optare PLC UK and its subsidiaries	(7.17)	(613.19)	(46.97)	(582.79)	(59.00)	(27.13)	(47.40)	(609.92)
14.	Ashok Leyland (UAE) LLC and its subsidiaries	0.44	37.85	2.50	31.01	5.20	2.39	2.60	33.40
15.	Albonair GmbH and its subsidiary	0.22	18.77	(0.73)	(9.00)	(0.43)	(0.20)	(0.71)	(9.20)
16.	**Non controlling Interest in all subsidiaries**	**(26.23)**	**(2,244.81)**	**(9.74)**	**(120.85)**	**(70.55)**	**(32.44)**	**(11.91)**	**(153.29)**
	Associates (Investment as per the equity method)								
	Indian								
17.	Ashok Leyland Defence Systems Limited #	0.25	21.42	0.12	1.52	0.00	0.00	0.12	1.52
18.	Mangalam Retail Services Limited #	0.00	0.04	0.00	0.00	-	-	0.00	0.00
	Foreign								
19.	Lanka Ashok Leyland PLC	0.25	21.28	0.09	0.94	(1.68)	(0.77)	0.01	0.17
	Joint Ventures (Investment as per the equity method)								
	Indian								
20.	Ashley Alteams India Limited	0.15	12.53	0.70	8.74	-	-	0.67	8.74
21.	Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)	-	-	-	-	-	-	-	-
	Sub Total	**137.13**	**11,730.18**	**102.77**	**1,275.27**	**79.87**	**36.72**	**101.97**	**1,311.99**
	Add / (Less): Effect of intercompany adjustments / eliminations	(37.13)	(3,176.25)	(2.77)	(34.46)	20.13	9.26	(1.97)	(25.20)
	Total	**100.00**	**8,553.93**	**100.00**	**1,240.81**	**100.00**	**45.98**	**100.00**	**1,286.79**

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

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS

3.2.1 Income tax recognised in profit or loss

		Year ended March 31, 2023	Year ended March 31, 2022
		₹ Crores	₹ Crores
Current tax			
In respect of the current year			
Domestic entities		965.61	101.79
Foreign entities		1.29	0.35
In respect of prior years			
Domestic entities		0.12	0.51
	A	**967.02**	**102.65**
Deferred tax			
In respect of the current year			
Domestic entities		(40.67)	(1.44)
Foreign entities		(19.42)	(15.35)
	B	**(60.09)**	**(16.79)**
Total income tax expense recognised in the Consolidated profit or loss (A+B)		**906.93**	**85.86**

3.2.2 Income tax expense for the year reconciled to the accounting profit:

	Year ended March 31, 2023	Year ended March 31, 2022
	₹ Crores	₹ Crores
Profit / (Loss) before tax		
Domestic entities	2,845.72	166.87
Foreign entities	(577.13)	(366.46)
Consolidated Profit / (Loss) before tax	**2,268.59**	**(199.59)**
Income tax rate	34.944%	34.944%
Income tax expense	792.74	(69.74)
Effect of income that is taxed at lower rate	20.72	221.99
Effect of exceptional items, disallowances and reversals (net)	(17.21)	(131.16)
Effect of previously unrecognised and unused tax losses and deductible temporary differences	(10.60)	(44.44)
Effect of concessions and other allowances	20.45	(29.25)
Effect of different tax rates of subsidiaries / branches operating in overseas jurisdictions	98.85	131.95
Effect of other adjustments	1.98	6.51
Income tax expense recognised in Consolidated profit or loss	**906.93**	**85.86**

3.2.3 Income tax recognised in other comprehensive income

		Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
Deferred tax			
Arising on income and expenses recognised in other comprehensive income:			
Fair value remeasurement of hedging instruments entered into for cash flow hedges		9.54	5.39
Gain/(Loss) on fair valuation of loans (relating to financing activities)		30.95	(70.06)
Remeasurement of defined benefit obligation		(4.85)	(13.75)
	A	**35.64**	**(78.42)**
Arising on income and expenses reclassified from equity to profit or loss:			
Relating to cash flow hedges		(5.39)	6.84
	B	**(5.39)**	**6.84**
Total income tax recognised in other comprehensive income (A+B)		**30.25**	**(71.58)**
Bifurcation of the income tax recognised in other comprehensive income into:			
Items that will not be reclassified to profit or loss		(4.85)	(13.75)
Items that will be reclassified to profit or loss		35.10	(57.83)
		30.25	**(71.58)**

3.2.4 Analysis of deferred tax assets / liabilities: **₹ Crores**

March 31, 2023	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Other adjustments (including effect of business combination)	Unused tax credits - (utilised)	Closing balance
Deferred tax assets / (liabilities) (net)						
Property, plant, and equipment and Intangible Assets	13.96	(17.07)	-	-	-	(3.11)
Right-of-use Asset	(2.01)	0.13	-	-	-	(1.88)
Unused tax losses (including unabsorbed depreciation)	7.34	37.01	-	0.25	-	44.60
Expenditure allowed upon payments	0.27	0.18	0.03	-	-	0.48
Provision for other employee benefits	-	0.87	-	-	-	0.87
Other temporary differences	7.57	0.44	0.05	0.06	-	8.12
	27.13	**21.56**	**0.08**	**0.31**	**-**	**49.08**
Deferred tax liabilities / (assets) (net)						
Property, plant and equipment and Intangible Assets	948.98	(38.33)	-	-	-	910.65
Right-of-use Asset	7.37	(5.04)	-	-	-	2.33
Lease Liability	(6.86)	3.37	-	-	-	(3.49)
Voluntary retirement compensation scheme	(28.11)	8.66	-	-	-	(19.45)
Expenditure allowed upon payments	(101.28)	(9.66)	(4.77)	-	-	(115.71)
Provision for impairment of financial assets and gain on fair valuation of loan relating to financing activities (Refer Note below)	44.40	(17.43)	30.95	-	-	57.92
Prepaid expenses relating to financing activities	60.67	4.15	-	-	-	64.82
Unused tax credit (MAT credit entitlement)	(584.85)	-	-	-	410.28	(174.57)
Cash flow hedges	5.39	-	4.15	-	-	9.54
Other temporary differences	(29.55)	15.75	-	4.10	-	(9.70)
Unused tax losses / unabsorbed depreciation	(0.33)	-	-	(0.01)	-	(0.34)
	315.83	**(38.53)**	**30.33**	**4.09**	**410.28**	**722.00**

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS (CONTD.)

3.2.4 Analysis of deferred tax assets / liabilities: (Contd.)

₹ Crores

March 31, 2022	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Other adjustments	Unused tax credits - (utilised)	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 depreciation	(90.40)	90.07	-	-	-	(0.33)
	386.09	**1.46**	**(71.60)**	**(0.12)**	**-**	**315.83**

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, 2023	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Other adjustments	Unused tax credits - (utilised)	Closing balance
Provision for impairment of financial assets	(143.28)	(17.43)	-	-	-	(160.71)
Gain on fair valuation of loan relating to financing activities	187.68	-	30.95	-	-	218.63
Net Total	**44.40**	**(17.43)**	**30.95**	**-**	**-**	**57.92**

March 31, 2022	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Other adjustments	Unused tax credits - (utilised)	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**

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, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
- Unused tax losses	2,600.40	1,813.24
- Unused capital losses	41.91	71.39
- Unabsorbed depreciation	0.22	0.15
	2,642.53	**1,884.78**

Notes:

1. These will expire in various years upto 2031-32 (March 2022: 2029-30), 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 ₹ 94.03 crores (2021-22: ₹ 69.73 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.

3.3 RETIREMENT BENEFIT PLANS (Contd.)

3.3.2 Defined benefit plans (Contd.)

Provident Fund Trust - Actuarial valuation of interest guarantee:

Group has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. The administered rates are determined annually predominantly considering the social rather than the economic factors and in most cases, the actual return earned by the Group has been higher in the past year 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, 2023	As at March 31, 2022
Discount rate	7.18%	7.18%
Remaining term to maturity of portfolio (years)	10.70	11.20
Expected guaranteed interest rate		
First year	8.15%	8.10%
Thereafter	8.15%	8.10%
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, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
Present value of benefit obligation	1,463.01	1,367.99
Fair value of plan asset	1,382.41	1,293.88
Net (liability) arising from defined benefit obligation (funded)	**(80.60)**	**(74.11)**

The Net liability is reflected in "Provision for employee benefits" under provisions. [Refer Note 1.30].

The amount recognised in total comprehensive income and the movement in fair value asset and present value obligation pertaining to year ended March 31, 2023 is as follows :

Amounts recognised in total comprehensive income in respect of these provident fund are as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	₹ Crores	₹ Crores
Provident Fund		
Current service cost	51.08	47.47
Net interest expense	5.31	4.71
Components of provident fund recognised in profit or loss	**56.39**	**52.18**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain) arising from changes in financial assumptions	-	(0.69)
Actuarial (gain) / loss arising from experience adjustments	10.73	(1.98)
Actuarial loss / (gain) on plan assets	(0.61)	2.67
Components of provident fund recognised in other comprehensive income	**10.12**	**-**
Total	**66.51**	**52.18**

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)

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 present value of the defined benefit obligation were as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	₹ Crores	₹ Crores
Opening defined benefit obligation	1,367.99	1,310.79
Adjustment relating to opening present value obligation	(0.07)	0.21
Employer Contribution	46.31	42.10
Employee Contribution	131.40	104.83
Value of Interest Rate Guarantee	4.77	5.37
Interest cost	97.57	88.24
Actuarial (gain) / loss arising from changes in financial assumptions	-	(0.69)
Actuarial (gain) / loss arising from experience adjustments	10.73	(1.98)
Benefits paid	(195.69)	(180.88)
Closing defined benefit obligation	**1,463.01**	**1,367.99**

Movements in the fair value of the plan assets were as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	₹ Crores	₹ Crores
Opening fair value of plan assets	1,293.88	1,241.60
Interest on plan assets	92.26	83.53
Actuarial gain / (loss) on plan assets	0.61	(2.67)
Contributions	191.35	152.30
Benefits paid	(195.69)	(180.88)
Closing fair value of plan assets	**1,382.41**	**1,293.88**

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, 2023	As at March 31, 2022
Central and State Government Securities including Public Sector Undertaking securities	75%	67%
Corporate Bonds	19%	25%
Mutual Funds	1%	3%
Special Deposit Scheme	5%	5%

Significant actuarial assumptions for the determination of the provident fund are discount rate and interest rate guarantee. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

Particulars	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	1.22	0.93
increase by	1.26	0.97

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 0.2% (March 2022: 0.5%) or decrease in present value obligation by 3.0% (March 2022: 3.0%.).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation, since the above analysis are based on change in an assumption while holding other assumptions constant. In practice, it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

3.3 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, 2023	As at March 31, 2022
Gratuity		
Discount rate	7.00% to 7.40%	5.20% to 7.36%
Expected rate of salary increase	5.00% to 11.80%	4.00% to 12.00%
Average Longevity at retirement age - past service	1.94 to 17.50	2.73 to 16.80
Average Longevity at retirement age - future service	3.50 to 19.80	4.90 to 17.76
Attrition rate	1.00% to 38.00%	1.00% to 25.00%
Compensated Absences		
Discount rate	7.00% to 7.40%	5.70% to 7.36%
Expected rate of salary increase	5.00% to 11.80%	4.00% to 12.00%
Attrition rate	1.00% to 38.00%	1.00% to 20.00%
Other defined benefit plans		
Discount rate	7.18%	7.18%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹ Crores	₹ Crores
Gratuity		
Current service cost	25.76	24.22
Net interest expense / (income)	(0.42)	(1.72)
Components of defined benefit costs recognised in Consolidated profit or loss (A)	**25.34**	**22.50**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain) / loss arising from changes in financial assumptions	(1.36)	(10.88)
Actuarial (gain) / loss arising from experience adjustments	7.49	52.80
Actuarial (gain) / loss on plan assets	(2.14)	(2.35)
Components of defined benefit costs recognised in other comprehensive income (B)	**3.99**	**39.57**
Total (A+B)	**29.33**	**62.07**
Compensated absences and other defined benefit plans		
Current service cost	20.51	20.21
Net interest expense	9.46	8.73
Actuarial (gain) / loss arising from changes in financial assumptions	(0.51)	(4.10)
Actuarial (gain) / loss arising from experience adjustments	(15.89)	(12.14)
Components of defined benefit costs recognised in Consolidated profit or loss	**13.57**	**12.70**

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, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
Present value of defined benefit obligation	455.69	430.14
Fair value of plan assets	446.08	422.36
Net (liability) / asset arising from defined benefit obligation	**(9.61)**	**(7.78)**
Funded	(8.59)	(6.86)
Unfunded	(1.02)	(0.92)
Net (liability) / asset arising from defined benefit obligation	**(9.61)**	**(7.78)**
Compensated absences and other defined benefit plans		
Present value of defined benefit obligation	142.59	136.83
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation (unfunded)	**142.59**	**136.83**

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 'Provision for employee benefits'. [Refer Notes 1.17, 1.23, 1.30 and 1.31]

Movements in the present value of the defined benefit obligation in the current year were as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹ Crores	₹ Crores
Gratuity		
Opening defined benefit obligation	430.14	382.47
Adjustment / Addition pursuant to business combination	-	1.21
Current service cost	25.76	24.22
Interest cost	29.48	24.49
Actuarial (gain) / loss arising from changes in financial assumptions	(1.36)	(10.88)
Actuarial (gain) / loss arising from experience adjustments	7.49	52.80
Benefits paid	(35.82)	(44.17)
Closing defined benefit obligation	**455.69**	**430.14**
		-
Compensated Absences and other defined benefit plans		
Opening defined benefit obligation	136.83	133.43
Adjustment / addition pursuant to business combination	-	0.20
Current service cost	20.51	20.21
Interest cost	9.46	8.73
Actuarial (gain) / loss arising from changes in financial assumptions	(0.51)	(4.10)
Actuarial (gain) / loss arising from experience adjustments	(15.89)	(12.14)
Benefits paid	(7.81)	(9.50)
Closing defined benefit obligation	**142.59**	**136.83**

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, 2023	Year ended March 31, 2022
	₹ Crores	₹ Crores
Gratuity		
Opening fair value of plan assets	422.36	396.79
Addition pursuant to business combination	-	1.84
Interest on plan assets	29.90	26.21
Remeasurements due to actual return on plan assets less interest on plan assets	2.14	2.35
Contributions	27.50	39.34
Benefits paid	(35.82)	(44.17)
Closing fair value of plan assets	**446.08**	**422.36**

The actual return on plan assets was ₹ 32.04 crores (2021-22: ₹28.56 crores).

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
Gratuity		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	14.20	14.30
increase by	15.01	15.15
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	15.64	15.85
decrease by	14.76	15.08
Compensated Absences		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	4.89	4.60
increase by	5.21	4.99
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	5.02	5.00
decrease by	4.73	4.66

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 ₹ 37.46 crores (March 2022: ₹ 38.93 crores) to the defined benefit plans (gratuity - funded) during the next financial year.

The average duration of the benefit obligation (gratuity) is 7.2 years (March 2022: 7.5 years).

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3.4 EARNINGS PER SHARE

	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
Basic earnings per share	4.23	(1.22)
Diluted earnings per share	4.22	(1.22)
Face value per share	1.00	1.00

3.4.1 Basic and diluted earnings per share

	Year ended March 31, 2023	Year ended March 31, 2022
	₹ Crores	₹ Crores
Profit / (Loss) for the year attributable to owners of the Parent Company	1,240.81	(358.61)

	Year ended March 31, 2023	Year ended March 31, 2022
	Nos.	Nos.
Weighted average number of equity shares used in the calculation of basic earnings per share	2,93,58,16,591	2,93,55,27,276
Adjustments :		
Dilutive effect - Number of shares relating to employee stock options	31,59,351	23,15,920
Weighted average number of equity shares used in the calculation of diluted earnings per share	**2,93,89,75,942**	**2,93,78,43,196**

3.5 SHARE BASED PAYMENTS

3.5.1a Details of employees stock option plan of the Group

The Parent Company has Employees Stock Options Plan (ESOP) scheme granted to employees which has been approved by the shareholders of the Parent Company. In accordance with the terms of the plan, eligible employees may be granted options to purchase equity shares of the Parent Company if they are in service on exercise of the grant. Each employee share option converts into one equity share of the Parent Company on exercise at the exercise price as per the scheme. The options carry neither rights to dividend nor voting rights. Options can be exercised at any time from the date of vesting to the date of their expiry.

The following share based payment arrangements were in existence during the current or prior year:

Option series	Number	Grant date	Expiry date	Exercise price ₹	Fair value at grant date ₹
ESOP 3 (Refer Note below)	20,00,000	July 19, 2017	July 19, 2027	83.50	57.42
ESOP 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

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.

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. During the year ended March 31, 2023, a portion of ESOP 3 and a protion of ESOP 5 have got forfeited.

3.5.2a Fair value of share options granted during the year

There are no options granted during the year. The weighted average fair value of the stock options granted during the financial year is ₹ Nil (2021-22: ₹ Nil). Options granted in the earlier years were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on Management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is based on the historical share price volatility.

3.5 SHARE BASED PAYMENTS (Contd.)

3.5.3a Movements in share options during the year

	Year ended March 31, 2023 Numbers	Weighted average exercise price ₹	Year ended March 31, 2022 Numbers	Weighted average exercise price ₹
Opening at the beginning of the year	1,27,70,000	90.41	2,27,10,000	88.99
Granted during the year	-	-	-	-
Forfeited / Lapsed during the year	25,35,000	90.78	99,40,000	87.18
Exercised during the year	6,00,000	83.50	-	-
Balance at the end of the year	96,35,000	90.74	1,27,70,000	90.41

Weighted Average share price on date of exercise of option ₹ 156.50 (2022: ₹ Nil)

3.5.4 Share options vested but not exercised during the year

ESOP 3: 2,00,000 options (Year ended March 31, 2022: ESOP 3: 4,00,000 options), ESOP 5: 44,17,500 (Year ended March 31, 2022: ESOP 5: Nil options)

3.5.5a Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 90.74 (as at March 31, 2022: ₹ 90.41) and a weighted average remaining contractual life of 5.71 years (as at March 31, 2022: 6.58 years).

3.5.1b Details of employees stock option plan of the Group

One of the Subsidiary of the Group has Employees Stock Options Plan (ESOP) scheme granted to employees which has been approved by its shareholders. In accordance with the terms of the plan, eligible employees may be granted options to purchase equity shares of the subsidiary. Each employee share option converts into one equity share of the subsidiary on exercise at the exercise price as per the scheme. The options carry neither rights to dividend nor voting rights. These are graded vesting options which vests on varying dates within the expiry date mentioned below with an option life of 5 years after vesting. Options can be exercised at any time within 5 years from the expiry date.

The following share based payment arrangements were in existence during the current or prior year:

Option series	Number	Grant date	Expiry date	Exercise price ₹
ESOP 1	70,58,500	July 19, 2018	July 18, 2021	10.00
ESOP 2	70,000	November 15, 2018	November 14, 2021	10.00
ESOP 3	2,55,000	February 12, 2019	February 11, 2022	10.00
ESOP 4	3,50,000	July 29, 2019	July 28, 2022	10.00
ESOP 5	1,90,000	November 6, 2019	November 5, 2022	10.00
ESOP 6	1,00,000	January 6, 2020	July 19, 2023	10.00
ESOP 7	1,95,000	April 23, 2021	July 19, 2023	12.00
ESOP 8	4,46,750	August 16, 2021	July 19, 2023	12.00
ESOP 9	62,46,000	November 30, 2022	November 30, 2026	11.97
ESOP 10	18,00,000	February 22, 2023	November 30, 2026	21.00

3.5.2b Fair value of share options granted during the year

There are 80,46,000 stock options issued during the financial year (the weighted average fair value of the stock options granted during the year ended March 31, 2023 is ₹ 10.17). Options were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on Management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is based on the historical share price of similar listed Companies.

3.5 SHARE BASED PAYMENTS (Contd.)

3.5.3b Movements in share options during the year

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Numbers	Weighted average exercise price (₹)	Numbers	Weighted average exercise price (₹)
Opening at the beginning of the year	59,53,500	10.00	71,53,500	10.00
Granted during the year	80,46,000	13.99	6,41,750	12.00
Exercised during the year *	14,51,000	10.05	17,01,250	10.00
Lapsed during the year	2,87,500	10.00	1,40,500	10.00
Balance at the end of the year	1,22,61,000	12.61	59,53,500	10.21

* Includes 41,000 stock options which are pending for allotment as on March 31, 2023.

3.5.4b Share options vested but not exercised during the year

Number of stock options vested but not exercised: 37,43,276 (March 31, 2022 : 50,67,250)

3.5.5b Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 12.61 (as at March 31, 2022: ₹ 10.21) and a weighted average remaining contractual life of 5 years (as at March 31, 2022: 5 years).

3.5.1c Details of employees stock option plan of the Group

One of the Subsidiary of the Group, has granted certain stock options to its employees under Employee stock option scheme, 2013 ("ESOP Scheme"). The employee stock options granted entitle the employees to purchase equity shares at an exercise price either at ₹ 10/- per option or fair value at the date of the grant as determined by the Nomination and Remuneration Committee of the said subsidiary at the date of grant. During the current year, the Subsidiary has not granted options to its employees under the ESOP Scheme.Options to employees are usually granted with a four-year graded vesting. The options would need to be exercised within a 5 years (Till 2021 - 3 years) period from the date of vesting.

The following share based payment arrangements were in existence during the current or prior year:

Option series	Number	Grant date	Expiry date	Exercise price ₹	Fair value at grant date ₹
ESOP 1	25,500	March 26, 2014	Refer Note Below	10.00 to 37.95	27.95
ESOP 2	5,24,000	November 10, 2016	Refer Note Below	54.40	79.00
ESOP 4	2,60,000	January 29, 2018	Refer Note Below	110.00	110.00
ESOP 5	50,000	May 16, 2018	Refer Note Below	110.00	110.00
ESOP 6	50,000	October 17, 2018	Refer Note Below	110.00	110.00
ESOP 7	50,000	March 20, 2019	Refer Note Below	110.00	110.00
ESOP 8	1,60,000	May 22, 2019	Refer Note Below	110.00	110.00
ESOP 10	3,25,000	June 2, 2021	Refer Note Below	92.97	100.00

Note:
The Exercise Period shall commence from the date of Vesting and the Vested Options can be Exercised within a period of 5 years from date of Vesting of Option or till it is cancelled as per the provisions of the Scheme.

3.5.2c Fair value of share options granted during the year

The Subsidiary measures the compensation cost relating to the stock option using fair value method. The compensation cost is amortised over the vesting period of the stock option. The Subsidiary has accounted for the Employee stock options granted as per Ind AS 102 'Sharebased payment'. Accordingly, the subsidiary has recognised an expense of ₹ 0.80 crores towards employee stock compensation expense for the year ended March 31, 2023 (March 31, 2022: ₹ 1.59 crores).

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3.5 SHARE BASED PAYMENTS (Contd.)

3.5.3c Movements in share options during the year

	Year ended March 31, 2023 Numbers	Weighted average exercise price ₹	Year ended March 31, 2022 Numbers	Weighted average exercise price ₹
Opening at the beginning of the year	14,44,500	84.55	12,19,000	81.79
Granted during the year	-	-	3,25,000	92.97
Reiniated during the year	-	-	1,48,500	48.00
Forfeited during the year	7,000	54.40	1,84,000	61.95
Exercised during the year	1,27,000	88.89	64,000	55.10
Lapsed during the year	-	-	-	-
Balance at the end of the year	13,10,500	84.20	14,44,500	84.55

3.5.4c Share options vested but not exercised during the year

9,12,000 options were vested and outstanding as at the end of current year (March 31, 2022: 9,78,500).

3.5.5c Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 84.20 (March 31, 2022: ₹ 84.55)

3.6 FINANCIAL INSTRUMENTS

3.6.1 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group determines the amount of capital required on the basis of annual master planning and budgeting and 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.

Particulars	March 31, 2023	March 31, 2022
	₹ Crores	₹ Crores
Debt (long-term and short-term borrowings and lease liabilities net off effective interest rate adjustment)*	31,160.93	24,145.02
Total equity	10,798.74	8,590.16
Debt equity ratio	2.89	2.81
* includes borrowing in relation to financing activity	25,987.79	19,595.37

The capital adequacy ratio relating to subsidiaries engaged in financing activities is 18.56% (March 2022: 18.71%).

The quarterly returns or statements of current assets filed by the Group with Banks and Financial Institutions are in agreement with the books of account.

The Group has complied with covenants given under the facility agreements executed for its borrowings.

3.6 FINANCIAL INSTRUMENTS (Contd.)

3.6.2 Financial risk management

In course of its business, the Group is exposed to certain financial risks that could have significant influence on the Group's business and operational / financial performance. These include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The respective company's Board approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

The Group uses derivative financial instruments to hedge risk exposures in accordance with the Group's policies as approved by the board of directors.

(A) Market risk

Market risk represent changes in market prices, liquidity and other factors that could have an adverse effect on realisable fair values or future cash flows to the Group. The Group's activities exposes it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

(1) Foreign currency risk management:

The Group undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Group actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through a centralised treasury division and uses derivative instruments such as foreign currency forward contracts and currency swaps to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by Management.

The carrying amounts of Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2023 (all amounts are in equivalent ₹ Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	1,000.08	641.23	358.85	332.55	361.41	(28.86)	(387.71)
EUR	25.70	6.63	19.07	1.90	-	1.90	(17.17)
GBP	0.07	-	0.07	2.32	-	2.32	2.25
JPY	2.33	0.32	2.01	-	-	-	(2.01)
SGD	172.21	172.21	-	-	-	-	-
CAD	-	-	-	2.07	-	2.07	2.07
AED	0.53	-	0.53	-	-	-	(0.53)
Others	8.39	-	8.39	5.97	-	5.97	(2.42)

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	-	-	-	-	-
AED	0.32	-	0.32	-	-	-	(0.32)
CAD	-	-	-	1.73	0.38	1.35	1.35
Others	6.20	-	6.20	21.53	-	21.53	15.33

3.6 FINANCIAL INSTRUMENTS (Contd.)

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's revenues from its operations. Any weakening of the functional currency may impact the Group's export proceeds, import payments and cost of borrowings.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on the other components of equity arises from foreign currency forward contracts designated as cash flow hedges. The following table details the Group's sensitivity movement in increase/decrease in foreign currency exposures (net):

₹ Crores

	USD impact	
	March 31, 2023	March 31, 2022
Profit or loss	7.75	1.34
Equity	7.75	1.34

	EUR impact	
	March 31, 2023	March 31, 2022
Profit or loss	0.34	0.37
Equity	0.34	0.37

	SGD impact	
	March 31, 2023	March 31, 2022
Profit or loss	-	-
Equity	-	-

	GBP impact	
	March 31, 2023	March 31, 2022
Profit or loss #	0.05	0.00
Equity #	0.05	0.00

	JPY impact	
	March 31, 2023	March 31, 2022
Profit or loss	0.04	0.03
Equity	0.04	0.03

	CAD impact	
	March 31, 2023	March 31, 2022
Profit or loss	0.04	0.03
Equity	0.04	0.03

	AED impact	
	March 31, 2023	March 31, 2022
Profit or loss	0.01	0.01
Equity	0.01	0.01

	Impact of other currencies	
	March 31, 2023	March 31, 2022
Profit or loss	0.05	0.31
Equity	0.05	0.31

Amount is below rounding off norms adopted by the Group.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

The following table details the foreign currency forward contracts outstanding at the end of the reporting period:

March 31, 2023	Foreign currency (in Crores)		Notional value (₹ Crores)	Fair value assets / (liabilities)* (₹ Crores)	Maturity Date	Hedge ratio	Weighted Average Rate
Cash flow hedges:							
Sell USD - Buy INR	USD	1.01	82.85	0.52	April 2023 - June 2023	1 : 1	USD 1 : INR 82.88
Buy USD - Sell INR	USD	1.01	82.86	(0.62)	April 2023 - June 2023	1 : 1	USD 1 : INR 82.98
Buy JPY - Sell INR	JPY	0.68	0.42	#	April 2023	1 : 1	JPY 1 : INR 0.62
Fair value hedges:							
Buy USD - Sell INR	USD	1.12	92.12	(0.62)	April 2023 - June 2023	1 : 1	USD 1 : INR 82.92
Sell USD - Buy INR	USD	4.43	364.41	1.21	April 2023 - June 2023	1 : 1	USD 1 : INR 82.63
Buy EUR - Sell INR	EUR	0.07	6.63	0.08	May 2023	1 : 1	EUR 1 : INR 89.02
Buy JPY - Sell INR	JPY	0.51	0.32	#	April 2023 - May 2023	1 : 1	JPY 1 : INR 0.62

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

* included in the balance sheet under 'Current-other financial assets' and 'Current-other financial liabilities'. [Refer notes 1.15 and 1.28]
# amount is below rounding off norms adopted by the Group.

(2) Interest rate risk management:

The Group is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings 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, 2023	March 31, 2022
	₹ Crores	₹ Crores
Variable rate Borrowings	26,145.58	18,370.18
Fixed rate Borrowings *	4,710.45	5,507.74
	30,856.03	**23,877.92**

*includes variable rate borrowings amounting to ₹ 715.88 crores (March 31, 2022: ₹ 910.16 crores) subsequently converted to fixed rate borrowings through swap contracts

Of the above, variable rate borrowings amounting to ₹ 23,736.50 crores (March 31, 2022: ₹ 17,006.57 crores) and fixed rate borrowings amounting to ₹ 2,198.88 crores (March 31, 2022: 2,549.57 crores) relates to financing activity.

3.6 FINANCIAL INSTRUMENTS (Contd.)

Interest rate sensitivity analysis

(a) For businesses other than financing activities:

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. Interest rate sensitivity is performed at 25 basis points, as these rates are used by the Management regularly in assessing the reasonable possible changes in the interest rates.

If interest rates had been 25 basis points higher / lower, the Group's profit / loss for the year ended March 31, 2023 would decrease / increase by ₹ 6.02 crores (2021-22: decrease / increase by ₹ 3.41 crores). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

(b) For business relating to financing activities:

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The weighted average interest rate on variable rate borrowing is around 7.88% p.a (March 31, 2022: 7.58% 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, 2023 would decrease / increase by ₹ 50.93 crores (2021-22: decrease / increase by ₹ 48.89 crores). The corresponding impact on profit after tax and equity is ₹ 38.11 crores (2021-22 ₹ 36.58 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, 2023	March 31, 2022
	₹ Crores	₹ Crores
Increase / decrease of 100 basis points for Housing loans	46.29	28.63

(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, 2023 is ₹ 96.93 crores (March 31, 2022: ₹ 39.89 crores). If the foreign currency movement is 2% higher / lower and interest rate movement is 200 basis points higher / lower with all other variables remaining constant, the Group's profit / loss for the year ended March 31, 2023 would approximately decrease / increase by ₹ Nil (year ended March 31, 2022: 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 average credit period is in the range of 7 days to 90 days.

The Group makes a loss allowance using simplified approach for expected credit loss and on a case to case basis. ECL are the weighted average of credit losses with the expected risk of default occurring as the weights (historically not significant). ECL is difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive.

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	March 31, 2023			March 31, 2022		
	Financial services	Retail and wholesale	Total	Financial services	Retail and wholesale	Total
Investments	1,817.83	-	1,817.83	1,176.25	-	1,176.25
Loans	1,605.24	26,810.35	28,415.59	1,004.37	20,763.15	21,767.52

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:

Ageing (weighted average across various portfolios)			March 31, 2023	March 31, 2022
	Staging	Provisions	Expected Credit Loss %	Expected Credit Loss %
0-30 days past due	Stage 1	12 month provision	0.14%	0.15%
30-90 days past due	Stage 2	Life time provision	5.80%	3.86%
More than 90 days past due	Stage 3	Life time provision	39.52%	41.38%

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 equipment and Three wheeler loans. The below table represents gross exposures excluding the value of the underlying collaterals.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

Expected credit loss for loans and investments relating to financing activity

₹ Crores

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Investments				
Estimated gross carrying amount at default	1,817.85	-	-	1,817.85
Expected probability of default	-	-	-	-
Expected credit losses	(0.02)	-	-	(0.02)
Carrying amount net of impairment provision	**1,817.83**	**-**	**-**	**1,817.83**
Loans				
Estimated gross carrying amount at default	24,833.03	2,924.14	1,299.74	29,056.91
Expected probability of default	0.10% to 4.74%	1.67% to 9.70%	100%	0.10% to 100%
Expected credit losses	(43.18)	(239.52)	(446.40)	(729.10)
Carrying amount net of impairment provision	**24,789.85**	**2,684.62**	**853.34**	**28,327.81**

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**

Movement in Expected credit loss allowance for loans and investments relating to financing activity

₹ Crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Balance as at April 1, 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**
Assets derecognised or repaid	(2.71)	(22.71)	(103.94)	(129.36)
Assets originated or purchased	24.08	36.62	15.95	76.65
Change in the measurement from 12 month to life time expected losses and vice versa	(7.87)	(71.93)	263.71	183.91
Write offs	3.77	(0.58)	(239.94)	(236.75)
Balance as at March 31, 2023	**43.18**	**239.52**	**446.40**	**729.10**

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, 2023	As at March 31, 2022
		₹ Crores	₹ Crores
Concentration by type of loan:			
- Commercial and other vehicles	Retail	17,057.28	14,725.67
- Loan against property	Retail	4,407.50	3,108.99
- Housing loans	Retail	5,986.89	3,704.38
- Term loans	Corporate	1,605.24	1,004.37
Total		**29,056.91**	**22,543.41**
In India		29,056.91	22,543.41
Outside India		-	-

The subsidiaries engaged in financing activities has considered macro economic factors such as Gross Domestic Product and Industrial Production for calculation of Probability of Default (PD). RBI vide Circular dated November 12, 2021 and further clarified vide circular dated February 15, 2022. - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications" has clarified / harmonized certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of lRACP norms across all lending institutions. The subsidiaries engaged in financing activities has complied with the said norms with effect from 01 October 2022. In addition to the above these subsidiaries make investments in pass through securities, debentures, funds, and security receipts all of which are exposures to other financial institutions in India. The exposure to such parties as at March 31, 2023 and March 31, 2022 are ₹ 1,817.83 crores and ₹ 1,176.25 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 ('FVOCI')."

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Group does not have the right to offset in case of the counterparty's bankruptcy, therefore, these disclosures are not required.

(C) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital limits from various banks. Furthermore, the Group has access to funds from debt markets through commercial paper programs, non-convertible debentures, and other debt instruments. The Group invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark-to-market risks.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2023	March 31, 2022
	₹ Crores	₹ Crores
From Banks		
- Secured	10,956.10	9,525.36
- Unsecured	699.50	786.73
Total	**11,655.60**	**10,312.09**

Further to the above, the Parent Company has an option to issue commercial paper for an amount of ₹ 2,000 crores (March 31, 2022 ₹ 2,000 crores).The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below summarises the maturity profile remaining contractual maturity period at the balance sheet date for its non-derivative financial liabilities based on the undiscounted cash flows :

₹ Crores

March 31, 2023	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	7,581.87	-	-	7,581.87
Other financial liabilities	1,362.78	164.01	-	1,526.79
Borrowings	11,805.53	18,418.52	1,310.07	31,534.12
Lease Liabilities	61.90	156.72	84.37	302.99
	20,812.08	**18,739.25**	**1,394.44**	**40,945.77**

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**

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, 2023	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Currency and interest rate swaps	-	-	-
Foreign exchange forward contracts	1.43	-	1.43
	1.43	**-**	**1.43**

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**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

3.6.3 Categories of Financial assets and liabilities:

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
Financial assets		
a. Measured at amortised cost:		
Investments (net of impairment)	429.68	308.88
Investments - Accounted for using equity method	55.27	46.60
Cash and cash equivalents	1,908.58	2,030.96
Other bank balances	278.14	107.20
Trade receivables (net of allowance)	4,190.20	3,264.12
Loans (net of allowance)	13,412.94	11,480.85
Others (net of allowance)	1,179.42	1,235.29
b. Mandatorily measured at fair value through profit or loss (FVTPL) / Other Comprehensive Income (OCI):		
Investments	4,367.40	2,296.64
Loans (net of allowance)*	14,914.87	10,227.91
Derivatives designated as hedging instruments	98.93	46.01
Financial liabilities		
a. Measured at amortised cost:		
Borrowings	30,920.44	23,939.35
Trade payables	7,581.87	7,249.91
Other financial liabilities	1,674.00	1,319.35
Lease Liabilities	240.49	205.67
b. Mandatorily measured at fair value through profit or loss (FVTPL) / Other Comprehensive Income (OCI):		
Derivatives designated as hedging instruments	1.43	11.91
Earnout liability	90.34	-

*These are loans relating to financing activities which are measured at fair value through OCI (recurring fair value measurements- Level 3) and the fair value loss accounted during the year amounts to ₹ 122.97 crores (March 31, 2022: gain ₹ 278.36 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, 2023		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets held at amortised cost:				
- Investments relating to financing activities	429.68	429.68	308.88	308.88
- Loans relating to financing activities	13,412.94	13,412.94	11,480.85	12,383.25
- Other financial assets relating to financing activities	613.11	613.11	436.49	436.49
Financial liabilities				
Financial liabilities held at amortised cost:				
- Redeemable non-convertible debentures (relating to financing activities)	1,084.10	1,084.10	1,328.16	1,328.16
- Subordinated redeemable non-convertible debentures and loan (relating to financing activities)	918.36	918.36	1,221.41	1,221.41
- Commercial Paper	196.41	196.41	-	-
- Term loans (relating to financing activities)	23,736.50	23,736.50	17,006.57	17,006.57

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

	Fair value hierarchy as at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held at amortised cost:				
- Investments relating to financing activities	-	-	429.68	429.68
- Loans relating to financing activities	-	-	13,412.94	13,412.94
- Other financial assets relating to financing activities	-	-	613.11	613.11
Financial liabilities				
Financial liabilities held at amortised cost:				
- Redeemable non-convertible debentures (relating to financing activities)	-	1,084.10	-	1,084.10
- Subordinated redeemable non-convertible debentures and loans (relating to financing activities)	-	918.36	-	918.36
- Commercial Paper	-	196.41	-	196.41
- Term loans (relating to financing activities)	-	-	23,736.50	23,736.50

	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	-	-	308.88	308.88
- 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

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.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2023	March 31, 2022		
Derivative instruments, i.e. forward foreign currency contracts, currency and interest rate swaps	Assets – ₹ 98.93 crores; and Liabilities – ₹ 1.43 crores	Assets – ₹ 46.01 crores; and Liabilities – ₹ 11.91 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, 2023	March 31, 2022				
Investments in mutual funds	₹ 3,171.40 crores	₹ 1,298.05 crores	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 - ₹ 6.93 crores (Refer Note 1.3)	Preference shares of: Ashok Leyland Defence Systems Limited - ₹ 6.89 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	₹ 14,914.87 crores	₹ 10,227.91 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, 2023	March 31, 2022				
Investments in unquoted equity shares and Investment in special limited partnership	Equity shares of: Hinduja (Energy) Limited - ₹147.00 crores Others - ₹ 52.44 crores (Refer Note 1.3)	Equity shares of: Hinduja (Energy) Limited - ₹ 81.33 crores Others - ₹ 49.89 crores (Refer Note 1.3)	Level 3	Income approach and Net Asset Value (Realisable value) approach – in these approaches, the cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these equity instruments	The significant inputs were: a) the estimated cash flows; and b) the discount rate to compute the present value of the future expected cash flows	A slight decrease in the estimated cash inflows in isolation would result in a significant decrease in the fair value. (Note 3 and 4)

Notes:

1) There were no transfers between Level 1, 2 and 3 during the year.

2) Other things remaining constant a 5% increase/ decrease in the WACC or discount rate used would decrease/ increase the fair value of the unquoted preference shares by ₹ 1.63 crores / ₹ 2.36 crores (as at March 31, 2022: ₹ 1.73 crores / ₹ 2.61 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 ₹ 14.98 crores / ₹ 14.37 crores (as at March 31, 2022: ₹ 12.96 crores / ₹ 13.7 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 ₹ 48.61 crores / ₹ 49.59 crores (as at March 31, 2022: ₹ 44.82 crores / ₹ 44.76 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 ₹ 286.09 crores / ₹ 297.03 crores (as at March 31, 2022: ₹ 189.38 crores / ₹ 196.57 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 ₹ 2.63 crores (as at March 31, 2022: gain of ₹ 0.18 crores). The Group has also recorded a fair value gain of ₹ 65.67 crores (March 31, 2022: 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 not derecognised 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.

As at March 31, 2023, the carrying amount of these loans that have been transferred but have not been derecognised amounted to ₹ Nil (March 31, 2022: ₹ 89.34 crores) and the carrying amount of the associated liability is ₹ Nil (March 31, 2022: ₹ 89.34 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.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.7 REVENUE FROM CONTRACTS WITH CUSTOMERS

3.7.1 Disaggregated revenue information

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹ Crores	₹ Crores
Type of goods and service		
a) Sale of products		
- Commercial vehicles	32,741.15	18,744.65
- Engines and gensets	991.41	985.76
- Ferrous castings and patterns	609.33	469.02
- Spare parts and others	2,587.26	2,069.77
	36,929.15	**22,269.20**
b) Sale of services		
- Freight and Insurance	596.25	353.90
- Annual Maintenance Contracts (AMC)	253.26	226.42
- IT and engineering services	354.40	225.63
- Others (includes warranty services)	326.46	146.88
	1,530.37	**952.83**
c) Other operating revenues		
- Scrap sales	118.19	76.84
- Others	14.97	9.10
	133.16	**85.94**
Less: Rebates and discounts	619.10	327.89
Total revenue from contracts with customers	**37,973.58**	**22,980.08**
India	34,339.99	20,155.56
Outside India	3,633.59	2,824.52
Total revenue from contracts with customers	**37,973.58**	**22,980.08**

₹ Crores

Timing of revenue recognition	Year ended March 31, 2023		Year ended March 31, 2022	
Particulars	At a point in time	Over a period of time	At a point in time	Over a period of time
- Sale of products and other operating revenue	37,050.14	12.17	22,346.04	-
- Sale of Services - Freight and Insurance	23.05	573.20	-	353.90
- Sale of Services - IT and engineering	-	354.40	-	225.63
- Sale of Services - AMC and Others (includes extended warranty services)	229.68	350.04	55.09	327.31
Less: Rebates and discounts	619.10	-	327.89	-
Total revenue from contracts with customers	**36,683.77**	**1,289.81**	**22,073.24**	**906.84**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.7 REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

3.7.2 Contract balances

Particulars	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
Trade receivables (Refer Notes 1.4 and 1.12)	4,190.20	3,264.12
Contract assets (Refer Note 1.16)	32.84	21.84
Contract liabilities (Refer Notes 1.22 and 1.29)	708.39	692.58

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 includes advances 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. There is no significant change in contract liabilities.

3.7.3 Revenue recognised in relation to contract liabilities

Particulars	March 31, 2023	March 31, 2022
	₹ Crores	₹ Crores
Revenue recognised from contract liabilities at the beginning of the year	489.19	475.80
Revenue recognised from performance obligations satisfied in previous years	5.22	10.40

3.7.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	March 31, 2023	March 31, 2022
	₹ Crores	₹ Crores
Contracted price	38,592.68	23,307.97
Adjustments		
Rebates and discounts	(619.10)	(327.89)
Revenue from contracts with customers	**37,973.58**	**22,980.08**

3.7.5 Unsatisfied or partially unsatisfied Performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
Within one year	520.66	540.25
More than one year	256.24	226.85
	776.90	**767.10**

The remaining performance obligations expected to be recognised in more than one year relate to the extended warranty and other obligation which is expected to be recognised over a period of 24 months to 72 months.

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, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
i	**Segment Revenue**		
	Commercial vehicle	38,024.72	23,021.03
	Financial service	3,649.54	3,216.92
	Gross Revenue	**41,674.26**	**26,237.95**
	Less: Inter-segmental revenue	1.66	0.80
	Revenue from operations	**41,672.60**	**26,237.15**
ii	**Segment Results**		
	Commercial vehicle	1,819.40	(82.46)
	Financial service (after deducting interest expense on loan financing)	656.52	447.63
	Total Segment Profit before Interest and Tax	**2,475.92**	**365.17**
	Interest Expense	(376.74)	(334.94)
	Other Income	110.77	86.81
	Share of profit of associates and joint ventures (net)	10.75	7.52
	Exceptional items	47.89	(324.15)
	Profit / (Loss) before Tax	**2,268.59**	**(199.59)**
	Less: Tax	906.93	85.86
	Profit / (Loss) after Tax (including share of profit of associate and joint venture)	**1,361.66**	**(285.45)**
iii	**Segment Assets**		
	Commercial vehicle	22,398.80	19,188.53
	Financial service	32,329.73	24,412.25
	Total Segment Assets	**54,728.53**	**43,600.78**
iv	**Segment Liabilities**		
	Commercial vehicle	17,108.90	14,637.49
	Financial service	26,820.89	20,373.13
	Total Segment Liabilities	**43,929.79**	**35,010.62**
v	**Addition to Non-current asset**		
	Commercial vehicle	1,155.73	910.28
	Financial service	62.56	25.09
	Total Addition to Non-current asset	**1,218.29**	**935.37**

For the amount of investments in associates and joint ventures accounted for by the equity method refer note 1.3

The Group's segment based on geography is given below:

Revenue from Operations	2023	2022
In India	38,039.01	23,412.63
Outside India	3,633.59	2,824.52
Total	**41,672.60**	**26,237.15**

Non-Current Asset	2023	2022
In India	7,938.12	6,883.70
Outside India	789.35	558.35
Total	**8,727.47**	**7,442.05**

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 SPF*
(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
Gulf RAK Lube Oil (Ras Al Khaimah)
Gulf Oil International Limited
Gulf Oil Middle East Limited
HR Vaigai Private Limited
OHM International Mobility Limited, United Kingdom .... From August 2, 2021, Upto August 23, 2022
OHM Global Mobility Private Limited .... From March 8, 2021, Upto August 23, 2022
GOCL Corporation Limited

Associates
Ashok Leyland Defence Systems Limited
Lanka Ashok Leyland PLC
Mangalam Retail Services Limited

Joint Ventures
Ashley Alteams India Limited
Ashok Leyland John Deere Construction Equipment Company Private Limited (Along with Gulf Ashley Motor Limited) [under liquidation]
Zebeyond Limited, UK .... from December 21, 2022

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. Shenu Agarwal, Managing Director and CEO .... From December 8, 2022
Mr. Gopal Mahadevan, Whole-time Director and Chief Financial Officer
Prof. Dr. Andreas H Biagosch
Dr. Andrew C Palmer .... Upto November 3, 2022
Mr. Jean Brunol
Mr. Jose Maria Alapont
Ms. Manisha Girotra
Mr. Sanjay K Asher
Mr. Saugata Gupta
Mr. Shom Ashok Hinduja .... 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 Parent Company does not have significant influence over Rajalakshmi Wind Energy Limited and Prathama Solarconnect Energy Private Limited, although the Parent Company holds 26% of the equity share capital of Rajalakshmi Wind Energy Limited and Prathama Solarconnect Energy Private Limited respectively.

* The Parent Company has intimated Ocorian Trust (Isle Of Man) Limited as significant beneficial owner pursuant to the Companies (Significant Beneficial Owners) Rules, 2018

3.9 RELATED PARTY DISCLOSURE (continued)

c) Related Party Transactions - summary

₹ Crores

Transactions during the year ended March 31	Fellow Subsidiaries 2023	Fellow Subsidiaries 2022	Associates 2023	Associates 2022	Joint Ventures 2023	Joint Ventures 2022	Holding Company 2023	Holding Company 2022	Entities where control exist 2023	Entities where control exist 2022	Entities where significant influence exist 2023	Entities where significant influence exist 2022	Entities under the significant influence of Key Management Personnel 2023	Entities under the significant influence of Key Management Personnel 2022	Key Management Personnel 2023	Key Management Personnel 2022	Total 2023	Total 2022
1 Purchase of raw materials, components and traded goods (net of GST)	181.99	103.30	1.64	1.73	130.61	56.66	-	-	-	-	-	-	-	-	-	-	314.24	161.69
2 Sales and services (net of GST)	53.50	32.28	42.35	99.97	0.60	0.74	-	-	0.88	(0.15)	-	-	-	-	-	-	97.33	132.84
3 Other operating income	-	-	-	-	2.18	2.13	-	-	-	-	-	-	-	-	-	-	2.18	2.13
4 Other expenditure incurred / (recovered) (net)	49.06	46.46	6.17	0.82	(0.04)	0.01	1.90	2.60	(0.85)	(0.16)	-	-	0.38	-	-	-	56.62	49.73
5 Interest and other income	2.11	2.12	0.85	0.78	0.19	0.31	-	0.70	-	-	-	-	-	-	-	-	3.15	3.91
6 Interest expense	-	-	-	-	-	-	1.80	0.01	-	-	-	-	-	-	-	-	1.80	0.01
7 Financial Guarantee Given	-	-	-	-	-	12.50	-	-	-	-	-	-	-	-	-	-	-	12.50
8 Financial Guarantee Released	-	-	-	-	3.13	14.70	-	-	-	-	-	-	-	-	-	-	3.13	14.70
9 Sale of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.29	-	0.29
10 Dividend payments	-	-	-	-	-	-	149.35	89.61	-	-	-	-	-	-	-	-	149.35	89.61
11 Remuneration to key management personnel**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47.67	49.14	47.67	49.14
12 Commission and sitting fees to key management personnel*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.56	5.33	6.56	5.33
13 Investments in shares of	#	-	-	-	-	2.50	-	-	-	-	-	-	-	-	-	-	#	2.50
14 Borrowings taken	-	-	-	-	-	-	131.63	0.36	-	-	-	-	-	-	-	-	131.63	0.36
15 Borrowings repaid	-	-	-	-	-	-	-	0.36	-	-	-	-	-	-	-	-	-	0.36
16 Contribution to employee related trusts made during the year	-	-	-	-	-	-	-	-	-	-	212.14	204.21	-	-	-	-	212.14	204.21
17 Sale of asset in lieu of allotment of equity shares	-	-	-	-	8.74	-	-	-	-	-	-	-	-	-	-	-	8.74	-
18 Purchase of Asset	-	-	-	-	5.05	-	-	-	-	-	-	-	-	-	-	-	5.05	-
19 Allotment of Equity Shares	-	-	-	-	-	-	144.92	-	-	-	-	-	-	-	-	-	144.92	-

* Includes commission and sitting fees to other directors aggregating to ₹ 6.40 crores (2022 : ₹ 4.57 crores)

All the transactions are at arms length.

**pursuant to separation of the director an amount of ₹ 10.33 crores is reversed in profit and loss account due to forfeiture of ESOPs.

For the year ended March 31, 2022, the remuneration paid to certain directors of the Parent Company amounting to ₹ 17.81 crores was in excess of the limit prescribed under the Companies Act, 2013 and it was approved by the shareholders in the Annual General Meeting, in accordance with the provisions of the Companies Act, 2013, as amended from time to time.

3.9 RELATED PARTY DISCLOSURE (continued)

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	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
1	Trade receivables (Refer Notes 1.4 and 1.12)	21.07	11.91	22.86	55.42	0.13	0.52	-	-	1.09	0.18	-	-	-	-	-	-	45.15	68.03
2	Other financial and non-financial assets (Refer Notes 1.9, 1.15 and 1.16)	-	1.06	-	-	0.10	5.17	-	-	-	-	0.21	0.22	-	-	-	-	0.31	6.45
3	Borrowings (Refer Note 1.25)	-	-	-	-	-	-	85.89	-	-	-	-	-	-	-	-	-	85.89	-
4	Trade and other payables	36.17	26.74	8.21	0.63	6.48	5.56	4.10	0.07	-	0.12	18.52	16.85	0.35	-	23.83	5.08	97.66	55.05
5	Financial guarantees	-	-	-	-	6.88	10.00	-	-	-	-	-	-	-	-		-	6.88	10.00

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.9 RELATED PARTY DISCLOSURE (continued)

e) Significant Related Party Transactions

₹ Crores

Transactions during the year ended March 31		2023	2022
1.	**Purchase of raw materials, components and traded goods (net of GST)**		
	Gulf Oil Lubricants India Limited	166.11	95.22
	Ashley Alteams India Limited	130.61	56.66
2.	**Sales and services (net of GST)**		
	Gulf Oil Lubricants India Limited	53.33	32.28
	Lanka Ashok Leyland PLC	23.01	80.35
	Ashok Leyland Defence Systems Limited	19.34	19.62
3.	**Other operating income**		
	Ashley Alteams India Limited	2.18	2.13
4.	**Other expenditure incurred / (recovered) (net)**		
	Hinduja Automotive Limited, United Kingdom	1.90	2.60
	Lanka Ashok Leyland PLC	7.64	0.64
	Ashok Leyland Defence Systems Limited	(1.47)	0.18
	Prathama Solar Connect Energy Private Limited	41.45	40.67
	Hinduja Renewables Private Limited	7.42	6.70
5.	**Interest and other income**		
	Ashok Leyland Defence Systems Limited	0.85	0.78
	Gulf Oil Middle East Limited	2.11	1.79
	Hinduja Automotive Limited, United Kingdom	-	0.70
	Gulf Oil International Limited	-	0.33
6.	**Dividend payment**		
	Hinduja Automotive Limited, United Kingdom	149.35	89.61
7.	**Investment in shares of**		
	Ashley Alteams India Limited	-	2.50
	HR Vaigai Private Limited	#	-
8.	**Allotment of Equity shares**		
	Hinduja Automotive Limited, United Kingdom	144.92	-
9.	**Sale of asset in lieu of allotment of equity shares**		
	Zebeyond Limited, UK	8.74	-
10.	**Purchase of asset**		
	Ashley Alteams India Limited	5.05	-
11.	**Sale of asset**		
	Mr. Vipin Sondhi	-	0.29
12.	**Borrowing taken**		
	Hinduja Automotive Limited, United Kingdom	131.63	0.36
13.	**Borrowing repaid**		
	Hinduja Automotive Limited, United Kingdom	-	0.36
14.	**Interest expense**		
	Hinduja Automotive Limited, United Kingdom	1.80	0.01
15.	**Contribution to employee related trusts made during the year including loans and interest recovered**		
	Ashok Leyland Employees Ennore Provident Fund Trust	52.95	47.10
	Ashok Leyland Employees Hosur Provident Fund Trust	47.35	41.95
	Ashok Leyland Senior Executives Provident Fund Trust	49.38	45.77
	Ashok Leyland Employees Gratuity Fund	19.36	30.21
	Ashok Leyland Superannuation Fund	16.06	15.21
	Ennore Foundries Gratuity Fund	5.37	4.11
	Ennore Foundries Limited Employees Provident Fund	12.52	11.35

3.9 RELATED PARTY DISCLOSURE (continued)

e) Significant Related Party Transactions (Contd.)

₹ Crores

	Transactions during the year ended March 31	2023	2022
16.	**Commission and sitting fees to key management personnel**		
	Mr. Dheeraj G Hinduja	0.16	0.76
	Commission and sitting fees to other directors in aggregate	6.40	4.57
17.	**Financial Guarantee Given**		
	Ashley Alteams India Limited	-	12.50
18.	**Financial Guarantee Released**		
	Ashley Alteams India Limited	3.13	14.70
19.	**Remuneration to key management personnel***		
	Mr. Vipin Sondhi		
	Short term employee benefits	-	14.65
	Other long term employee benefits	-	0.08
	Share-based payment@	-	-
	Mr. Shenu Agarwal		
	Short term employee benefits	1.41	-
	Other long term employee benefits	-	-
	Mr. Gopal Mahadevan		
	Short term employee benefits	14.00	5.65
	Other long term employee benefits	0.08	0.08
	Share-based payment	2.26	2.62
	Mr. Andrew C Palmer		
	Employee benefits paid by subsidiary	11.92	24.32
	Mr. Dheeraj G Hinduja		
	Short term employee benefits	17.92	1.66
	Other long term employee benefits	0.08	0.08

Amount is below rounding off norms adopted by the Group.

@pursuant to separation of the director an amount of ₹ 10.33 crores were reversed in profit and loss account due to forfeiture of ESOPs during the year ended March 31, 2022.

* Excludes contribution for gratuity and compensated absences and long term incentive plan as the incremental liability has been accounted for the Group as a whole.

3.10 Lease arrangements

Group as lessee

Group has applied following practical expedients for the purpose of lease on initial recognition :

1) Single discount rate has been applied for leases with same characteristics.

2) Non - lease components which are difficult to be separated from the lease components are taken as a part of the lease calculation.

3) Short term leases i.e., leases having lease term of 12 months or less has been ignored for the purpose of calculation of right-of-use asset.

Expenses for the year ended March 31, 2023 includes lease expense classified as short term lease of ₹24.20 crores (March 31, 2022: ₹ 24.90 crores), low value leases of ₹ 0.03 crores (March 31, 2022: ₹ 0.01 crores) and variable lease payments aggregating to ₹ 63.55 crores (March 31, 2022: ₹64.82 crores) which are not required to be recognised as per practical expedient under Ind AS 116 'Leases' mentioned above.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.11 CONTINGENT LIABILITIES

		As at March 31, 2023	As at March 31, 2022
		₹ Crores	₹ Crores
a)	Claims against the Group not acknowledged as debts (net)		
	i) Sales tax / VAT/ GST #	276.78	273.80
	ii) Excise duty #	9.20	8.68
	iii) Service Tax #	111.88	111.43
	iv) Customs Duty #	0.43	0.43
	v) Income tax $	8.43	143.19
	vi) Others	43.42	46.49
b)	Corporate guarantees given to others for loans taken by a joint venture company	6.88	10.00
c)	Share of contingent liabilities of joint ventures	1.71	3.15
d)	Bank guarantees	2.08	2.00

$ These relates to issues of deductibility and taxability in respect of which the Group is in appeal and inclusive of the effect of similar matters in respect of assessments remaining to be completed

These have been disputed by the Group on account of issues of applicability and classification.

Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.

Notes:

The Group (entities operating in India) evaluated the impact of the recent Supreme Court Judgment in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and the Management believes that further clarity is required on this matter for the time period prior to March 31, 2019. However, it is not likely to have a significant impact and accordingly, no provision has been made in the consolidated financial statement.

The Group is involved in various claims and actions in the ordinary course of business. The Group accrues a liability when a loss is considered probable and the amount can be reasonably estimated. In the opinion of the management the outcome of any existing claims, legal and regulatory proceedings, if decided adversely, is not expected to have a material adverse effect on the business, financial condition, results of operations and cash flows of the Group based on the current position of such claims / legal actions.

3.12 COMMITMENTS

		As at March 31, 2023	As at March 31, 2022
		₹ Crores	₹ Crores
a)	Capital commitments (net of advances) not provided for	295.56	317.25
	[including ₹ 9.70 crores (March 2022: ₹ 19.55 crores) in respect of intangible assets]		
b)	Share of commitments of joint ventures	0.18	0.88
c)	Uncalled liability on partly paid shares / investments	#	#
d)	Other commitments		
	(i) Financial support given to certain joint ventures		

The outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.
Amount is below rounding off norms adopted by the Group.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS:

I Non-current borrowings:

	As at March 31, 2023				As at March 31, 2022		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores	Particulars of Redemption / Repayment	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
a. Secured Borrowings:							
i. Non-convertible Debentures (NCD)							
7.45% p.a. to 9.25% p.a (March 2022 : 7.45% p.a to 9.25% p.a.) Secured redeemable non-convertible debentures Sub 1	79.77	1,004.33	1,084.10	8,800 debentures with a face value of ₹ 10,00,000/- and 8,000 debentures with face value of ₹ 1,00,000/- (31 March 2022 13,300) were outstanding as on 31 March 2023. Redemption period ranging from 24 months to 3 years from the date of allotment	878.51	629.65	1,508.16
Series 3	200.00	-	200.00	Bullet repayment at the end of 5 years from the date of allotment i.e. March 17, 2027. The Parent Company has a call option to redeem the debentures after the end of 3 year	200.00	-	200.00
Series 2	-	200.00	200.00	Bullet repayment at the end of 3 years from the date of allotment i.e. June 23, 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
	279.77	**1,604.33**	**1,884.10**		**1,678.51**	**629.65**	**2,308.16**
ii. Term loans:							
TL - 1 - Sub 1	16,037.22	6,851.18	22,888.40	5.25% to 9.40% p.a. repayable in varying installments in 3 months to 5 years	10,526.77	5,839.09	16,365.86
TL-12	300.00	100.00	400.00	Repayable annually in 5 equal installments starting from September 9, 2022	400.00	100.00	500.00
TL-13	225.00	75.00	300.00	Repayable annually in 4 equal installments starting from May 12, 2023	300.00	-	300.00
TL-14	37.50	25.00	62.50	Repayable semi annually in 8 equal installments starting from February 28, 2022	62.50	25.00	87.50
TL-15	96.25	3.75	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	200.00	-	200.00
TL-17	225.00	12.50	237.50	Repayable semi annually in 12 installments of varying amounts starting from September 30, 2022	237.50	12.50	250.00
TL-1- Sub 2	254.49	-	254.49	Repayable by November 29, 2024 in two equal half yearly installments.The term loan has a moratorium period of 2 years	-	-	-
TL-2- Sub 2	234.89	-	234.89	₹ 160 Crores to be repaid by March 31, 2025; balance by September 28, 2029	-	-	-
TL-3- Sub 2	59.43	-	59.43	Repayable in equal monthly installments commencing from April 1, 2024	-	-	-
TL -1- Sub 3	152.47	-	152.47	The loan is repayable in quarterly installments over a period of seven years starting from April 2024	-	-	-
	17,822.25	**7,067.43**	**24,889.68**		**11,826.77**	**5,976.59**	**17,803.36**

3.13 DETAILS OF BORROWINGS: (CONTD.)

I Non-current borrowings: (Contd.)

1. (i) TL -12 - Term loan was secured by way of first ranking charge on the specified plant and machinery of a manufacturing unit of the Parent Company located at Pantnagar to the extent of ₹400 crores.

   (ii) TL - 13 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Parent Company located at Hosur to the extent of 1.25 times of the amount of loan.

   (iii) TL - 14 - Term loan was secured by way of exclusive charge on the specified plant and machinery and other moveable fixed assets of a manufacturing unit of the Parent Company located at Pantnagar to the extent of 1.10 times of the amount of loan.

   (iv) TL - 15 - Term loan was secured by way of exclusive charge on the specified plant and machinery and other moveable fixed assets of the manufacturing units of the Parent Company located at Pantnagar and Hosur to the extent of 1.25 times of the amount of loan.

   (v) TL -16 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Parent Company located at Chennai to the extent of ₹ 200 Crores.

   (vi) TL -17 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Parent Company located at Hosur and Bhandara to the extent of 1.10 times of the amount of loan.

   (vii) NCD - Series 1 - 8% AL 2023 relating to Parent Company are secured by way of first ranking charge over specific plant and machinery of manufacturing and research and development units situated at Ennore, Pantnagar, Hosur and Vellivoyalchavadi and specific immoveable properties of manufacturing unit at Ennore to the extent of 1.10 times of the amount of debentures and interest accrued thereon.

   (viii) NCD - Series 2 - 7.65% AL 2023 relating to Parent Company are secured by way of First Ranking charge over specific plant and machinery of the manufacturing units situated at Hosur and Alwar and specific immoveable properties situated at manufacturing unit at Ennore to the extent of 1.10 times of the amount of debentures and interest accrued thereon.

   (ix) NCD - Series 3 - 7.30% AL 2027 relating to Parent Company are secured by way of First Ranking charge over specific plant and machinery of manufacturing unit situated at Hosur to the extent of 1.10 times of the amount of debentures and interest accrued thereon.

2. Debentures of a subsidiary (Sub 1) are secured by a first ranking mortgage of an immovable property in favour of trustees in addition to exclusive charge on hypothecation of specific loan receivables with a security cover of 110% as per the terms of issue.

3. Term loans availed by a subsidiary from various banks (TL-1 - Sub 1) are secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 112% of loan amount.

4. The assets pledged as security for borrowings relating to subsidiaries engaged in financing activities includes financial assets (loans and investments) amounting to ₹ 30,233.42 crores (March 2022: financial assets (loans and investments) and land amounting to ₹ 22,947.28 crores).

5. Term loan availed by a subsidiary (TL -1- Sub 3) is secured by way of an exclusive charge over stocks, current assets and plant and machinery of the subsidiary and guarantee.

6. Term loan availed by a subsidiary (TL-1- Sub 2, TL-2-Sub 2, TL-3- Sub 2) is secured by way of an exclusive charge on all specific project assets and receivables of the subsidiary.

iii. Other loans:

	As at March 31, 2023				As at March 31, 2022		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores	Particulars of Redemption / Repayment	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
SIPCOT Soft Loan	31.18	-	31.18	Repayable by August 1, 2025	31.18	-	31.18
Loan - Sub 1	-	7.00	7.00	Repayable on April 21, 2023	-	-	-
	31.18	**7.00**	**38.18**		**31.18**	**-**	**31.18**

1. The above SIPCOT soft loan availed by the Parent Company are secured by way of first charge on the fixed assets created and the same shall be on pari passu with other first charge holders of LCV division.
2. Loan - Sub 1 relating to a subsidiary is secured by way of hypothecation of inventory and debtors of the subsidiary

The companies in the Group, where applicable, has registered the charges / satisfaction of charges with the Registrar of Companies within the stipulated period.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS: (CONTD.)

I Non-current borrowings: (Contd.)

b. Unsecured borrowings:

i. ECB loans:

	As at March 31, 2023				As at March 31, 2022		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores	Particulars of Redemption / Repayment	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
ECB - 16	112.05	56.03	168.08	Repayable annually in 3 equal installments starting from November 18, 2023	152.24	-	152.24
ECB - 15	54.78	54.78	109.56	Repayable annually in 3 equal installments starting from February 28, 2023	101.06	50.53	151.59
ECB - 14	219.12	219.12	438.24	Repayable annually in 3 equal installments starting from September 23, 2022	404.22	202.11	606.33
	385.95	**329.93**	**715.88**		**657.52**	**252.64**	**910.16**
ii. Non-convertible Debentures:							
9.20% p.a. to 11.60% p.a. - Subordinated redeemable non-convertible debentures - Sub 1	843.43	-	843.43	9,750 (March 31, 2022: 11,550) debentures with a face value of ₹ 10,00,000/- were outstanding as on March 31, 2023. Redemption period ranging from 5.4 years to 7 years	966.55	-	966.55
	843.43	**-**	**843.43**		**966.55**	**-**	**966.55**

	As at March 31, 2023				As at March 31, 2022		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores		Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
iii. Interest free sales tax loans:							
Programme II	66.41	-	66.41	Varying amounts repayable on a periodical basis ending on June 2028	66.41	-	66.41
	66.41	**-**	**66.41**		**66.41**	**-**	**66.41**
iv. Other subordinated loans:							
11.31% p.a. - Subordinated loans - Sub 1	74.93	-	74.93	Redemption period is 5.5 years	74.86	-	74.86
	74.93	**-**	**74.93**		**74.86**	**-**	**74.86**

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, 2022: 11.60% p.a.) .

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS: (CONTD.)

II Current borrowings:

	As at March 31, 2023	Particulars of Redemption / Repayment	As at March 31, 2022
	₹ Crores		₹ Crores
a Secured borrowings			
- STL 1 Sub 1	848.10	Repayable on demand	640.71
- STL 3 Sub 6	18.00	Repayable on demand	31.00
- STL 1 Sub 7	9.00	Repayable on demand	3.00
- STL 2 Sub 7	8.38	Repayable on demand	11.53
- STL 2 Sub 5	125.22	Repayable within 6 months	117.91
- STL 3 Sub 5	17.89	Repayable on May 31, 2023	16.84
- STL 1 Sub 8	115.77	Repayable on demand	60.46
- STL 1 Sub 9	-	Repayable on demand	16.19
- STL 1 Sub 12	30.49	Rollover annually on June 3, 2023	29.84
- STL 1 Sub 10	3.44	Repayable on demand	-
- Bills discounted	13.06	Repayable on various dates upto August 2023	-
- STL 2 Sub 12	304.94	Repayable on July 25, 2023	-
- STL 1 Sub 11	15.23	Repayable on demand	-
	1,509.52		**927.48**

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 amounting to ₹ 37.24 crores. (March 31, 2022: ₹ 50.85 crores).
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, 2022: ₹ 25.00 crores).
4. STL 1 Sub 8 relating to a subsidiary are secured by way of a charge on trade receivables, inventories and assignment of risk insurance policy covering inventories of the subsidiary company and also backed by letter of comfort issued by the Parent Company.
5. STL 2 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 amounting to ₹ 269.86 crores (March 31, 2022: ₹ 261.21 crores).
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.
8. Working capital demand loans from banks / Bills discounted relating to Parent Company are secured by way of hypothecation of the whole stocks of Raw Materials, Semi Finished and Finished goods, Stores and Spares not related to Plant and Machinery (Consumable stores and spares) Bills Receivable, Book Debts and all other movables both present and future now lying or stored about the factory premises, godowns, warehouses, yards and any other locations to the extent of ₹ 2,000 crore (March 31, 2022: ₹ 2,000 crores).
9. STL 1 Sub 12 and STL 2 Sub 12 relating to a subsidiary is secured against assets and undertakings of the subsidiary.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS: (CONTD.)

II Current borrowings: (Contd.)

	As at March 31, 2023	Particulars of Redemption / Repayment	As at March 31, 2022
	₹ Crores		₹ Crores
b Unsecured borrowings			
- STL 25	150.00	Repayable on August 25, 2023	-
- STL 24	-	Repaid on August 30, 2022	150.00
- STL 1 Sub 8	82.16	Repayable on demand	75.78
- STL 2 Sub 3	250.05	Repayable on July 11, 2023	244.66
- STL 4 Sub 3	9.89	Repayable on demand	-
- STL 5 Sub 3	85.89	Repayable on 30th June 2023	-
- STL 6 Sub 3	20.33	Repayable on October 6, 2023	19.89
- STL 7 Sub 3	-	Repaid on December 31, 2022	249.01
- Bills discounted	105.57	Repayable / Repaid on various dates upto December 2023 / October 2022	116.83
- Commercial Paper	196.42	Commercial papers are issued for a period ranging from 36 days to 93 days	-
	900.31		**856.17**

The above outstanding borrowings carry varying rates of interest with the maximum rate of interest going upto 9.40% p.a. (as at March 31, 2022: 8.00% p.a.).

The carrying value of the above borrowings (as reflected in Notes 1.20 and 1.26) are measured at amortised cost using effective interest method while the above borrowings represents principal amount outstanding.

III Net debt reconciliation:

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
1. Cash and cash equivalents	1,908.58	2,030.96
2. Liquid investments	3,171.40	1,298.05
3. Current borrowings	(2,418.48)	(1,785.11)
4. Non-current borrowings	(28,560.31)	(22,205.58)
5. Derivative Asset / (Liability)	97.50	34.10
6. Lease Liabilities	(240.49)	(205.67)
Net debt	**(26,041.80)**	**(20,833.25)**

3.13 DETAILS OF BORROWINGS: (CONTD.)

III Net debt reconciliation: (Contd)

₹ Crores

Particulars	Other assets		Liabilities from financing activities				
	Cash and Cash Equivalents	Liquid investments	Non-current borrowings	Current borrowings	Derivative Asset / (Liability)	Lease Liabilities	Total
Net debt as at March 31, 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
- Conversion of loan into equity by a subsidiary	-	-	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)**
Cash flows (net)	(153.63)	1,839.62	(6,307.77)	(605.21)	-	66.97	(5,160.02)
Pursuant to business combination	28.47	-	-	-	-	-	28.47
Foreign exchange adjustments	2.78	-	(44.15)	(20.97)		-	(62.34)
Profit / (loss) on sale of liquid investments (net)	-	30.05	-	-	-	-	30.05
Interest expense	-	-	(233.74)	(106.21)	-	(14.50)	(354.45)
Interest paid	-	-	230.93	99.02	-	-	329.95
Other non-cash movements							
- Addition / Deletion (Net) relating to lease liabilities	-	-	-	-	-	(87.29)	(87.29)
- Fair value adjustments	-	3.68	-	-	63.40	-	67.08
Net debt as at March 31, 2023	**1,908.58**	**3,171.40**	**(28,560.31)**	**(2,418.48)**	**97.50**	**(240.49)**	**(26,041.80)**

Note:

Non-current borrowings and interest expense is gross of impact on account of effective interest rate changes.

3.14 INFORMATION RELATING TO SUBSIDIARIES

A) Details of the group's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest As at March 31, 2023	Proportion of ownership interest As at March 31, 2022
Hinduja Leyland Finance Limited and its subsidiaries	Relating to financing activities	Chennai - India	60.42%	68.80%
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	81.73%	85.58%
Ashok Leyland (UAE) LLC and its subsidiaries	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, its subsidiaries and joint venture	Relating to IT services	Chennai - India	73.83%	98.91%
Vishwa Buses and Coaches Limited	Relating to commercial vehicle	Chennai - India	100.00%	100.00%
Gro Digital Platforms Limited (from April 14, 2021)	Relating to commercial vehicle	Chennai - India	80.21%	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:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries March 31, 2023	Number of wholly-owned subsidiaries March 31, 2022
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

* wholly owned step down subsidiaries

Also refer Note 3.1

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries** March 31, 2023	Number of non wholly-owned subsidiaries** March 31, 2022
Relating to financing activities	Chennai - India	4	3
Relating to commercial vehicle	Madurai - India	1	1
Relating to commercial vehicle	Chennai - India	1	1
Manufacturing of commercial vehicle	United Kingdom**	8	7
Trading in commercial vehicle	Chennai - India	1	1
Manpower supply services	Chennai - India	1	1
Relating to IT services	Chennai - India**	9	5

** includes 8 step down subsidiaries relating to IT services and 7 step down subsidiaries relating to manufacturing of commercial vehicles

3.14 INFORMATION RELATING TO SUBSIDIARIES (Continued)

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, 2023	March 31, 2022	March 31, 2023 ₹ Crores	March 31, 2022 ₹ Crores	March 31, 2023 ₹ Crores	March 31, 2022 ₹ Crores
Hinduja Leyland Finance Limited and its subsidiaries	Chennai - India	39.58%	31.20%	207.64	41.25	2,215.14	1,278.54
Individually immaterial subsidiaries with non-controlling interests				(54.35)	(32.47)	29.67	7.73
				153.29	**8.78**	**2,244.81**	**1,286.27**

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

Hinduja Leyland Finance Limited and its subsidiaries	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
Current assets	11,076.85	8,252.12
Non-current assets	21,340.66	16,218.89
Total assets	**32,417.51**	**24,471.01**
Current liabilities	9,446.99	7,610.02
Non-current liabilities	17,373.90	12,763.11
Total liabilities	**26,820.89**	**20,373.13**
Equity attributable to owners of the Company	3,381.48	2,819.34
Non-controlling interests	2,215.14	1,278.54

3.14 INFORMATION RELATING TO SUBSIDIARIES (Continued)

	Year ended March 31, 2023	Year ended March 31, 2022
	₹ Crores	₹ Crores
Revenue	3,501.55	3,097.96
Expenses (including tax)	3,007.94	2,758.25
Profit for the year	**493.61**	**339.71**
Profit attributable to owners of the Company	318.92	233.72
Profit attributable to the non-controlling interests	174.69	105.99
Profit for the year	**493.61**	**339.71**
Other Comprehensive Income attributable to owners of the Company	60.16	(142.76)
Other Comprehensive Income attributable to the non-controlling interests	32.95	(64.74)
Other Comprehensive Income for the year	**93.11**	**(207.50)**
Total Comprehensive Income attributable to owners of the Company	379.08	90.96
Total Comprehensive Income attributable to the non-controlling interests	207.64	41.25
Total Comprehensive Income for the year	**586.72**	**132.21**
Dividends paid to non-controlling interests	-	-
Net cash (outflow) / inflow from operating activities	(6,173.91)	295.59
Net cash outflow from investing activities	(830.11)	(396.31)
Net cash inflow from financing activities	7,240.09	92.71
Net cash inflow / (outflow)	**236.07**	**(8.01)**

Hinduja Leyland Finance Limited (HLFL), a subsidiary of the Group engaged in financial services segment of the Group, has made an application to BSE Limited (Stock Exchange) for the proposed Merger with Nxtdigital Limited on November 25, 2022 and the said application is under process. HLFL is also in the process of filing application to Competition Commission of India (CCI) for the proposed merger and in this regard had a pre-filing consultation meetings with CCI during March / April 2023. Nxtdigital Limited (Transferee Company, whose name has been changed to NDL Ventures Limited w.e.f. April 20, 2023) has also submitted application to Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd (NSE) where its shares are listed and for merger they will be also filing application to CCI for the proposed merger. NDL Ventures Limited has also submitted application to RBI for registration as NBFC on December 23, 2022.

D) Goodwill

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
Gross Goodwill at the beginning of the year	1,641.00	1,641.00
Add: Recognised during the year (Refer Note 3.18)	151.09	-
Gross Goodwill at the end of the year	**1,792.09**	**1,641.00**
Opening accumulated impairment	609.17	400.23
Add: Impairment during the year (Refer Note 3.25)	7.81	208.94
Closing accumulated impairment	**616.98**	**609.17**
Carrying amount of Goodwill	**1,175.11**	**1,031.83**

3.14 INFORMATION RELATING TO SUBSIDIARIES (Continued)

D) Goodwill (Contd.)

Allocation of goodwill to cash-generating units

Each of the subsidiaries / Light Commercial Vehicle division of Parent Company is identified as a separate cash generating unit. Goodwill has been allocated for impairment testing purposes to these cash-generating units.

The carrying amount of goodwill was allocated to major cash-generating units as follows:

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
Hinduja Leyland Finance Limited and its subsidiaries	426.47	426.47
Light commercial vehicle division of parent company	449.90	449.90
Hinduja Tech Limited and its subsidiaries	276.30	125.21
Others	22.44	30.25
	1,175.11	**1,031.83**

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 12.00% to 17.50% (March 2022: 10.50% to 18.50%) and terminal growth rate ranging from 1.00% to 4.00% (March 2022: 1.00% to 5.00%) for the purpose of impairment testing based on the next four to six years projected cash flows. Both pre tax and post tax discount rate gives the same recoverable amount. The Group believes that any reasonable further change in the key assumptions on which recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount.

Also Refer Notes 1B.4, 1C, 3.18 and 3.25.

3.15 INFORMATION RELATING TO ASSOCIATES

Details of material associates

There are no associates which are individually material and thus, only aggregate information of associates that are not individually material is given below:

Aggregate information of associates that are not individually material	Year ended March 31, 2023 ₹ Crores	Year ended March 31, 2022 ₹ Crores
The Group's share of profit	2.46	7.02
The Group's share of other comprehensive loss	(0.77)	(10.72)
The Group's share of total comprehensive income / (loss)	**1.69**	**(3.70)**

	As at March 31, 2023 ₹ Crores	As at March 31, 2022 ₹ Crores
Aggregate carrying amount of the Group's interests in these associates	42.74	42.84

3.16 INFORMATION RELATING TO JOINT VENTURES

Details of material joint ventures

There are no joint ventures which are individually material and thus, only aggregate information of joint ventures that are not individually material is given below:

Aggregate information of joint ventures that are not individually material	Year ended March 31, 2023	Year ended March 31, 2022
	₹ Crores	₹ Crores
The Group's share of profit	8.29	0.50
The Group's share of other comprehensive income	-	0.03
The Group's share of total comprehensive income	**8.29**	**0.53**

	As at March 31, 2023	As at March 31, 2022
	₹ Crores	₹ Crores
Aggregate carrying amount of the Group's interests in these joint ventures	20.92	3.76

Also refer note 3.18

3.17 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Group. The amount of principal and interest outstanding is given below:

₹ Crores

	Particulars	March 2023	March 2022
i)	Principal amount paid after appointed date during the year	5.85	176.70
ii)	Amount of interest due and payable for the delayed payment of Principal amount	0.02	-
iii)	Principal amount remaining unpaid as at year end (over due)	0.86	2.96
iv)	Principal amount remaining unpaid as at year end (not due)	82.07	67.43
v)	Interest due and payable on principal amount unpaid as at the year end	-	0.09
vi)	Total amount of interest accrued and unpaid as at year end	0.33	0.30
vii)	Further interest remaining due and payable for earlier years	0.30	0.21

Also refer notes 1.27 and 1.28

3.18 ACCOUNTING FOR BUSINESS COMBINATION

(i) Drive System Design Limited, UK and Drive System Design Inc

- On November 30, 2022, Hinduja Tech UK Limited (HTUK) and Hinduja Tech Inc, USA, wholly owned subsidiaries of Hinduja Tech Limited, entered into a Share Purchase Agreement (SPA) to acquire 100% of the issued capital of Drive System Design Limited, UK (DSDUK) along with its subsidiaries Drive System Design SRO, Czech and Drive System Design Inc, USA (DSD-USA) (collectively referred to as 'DSD Group') respectively for an upfront cash consideration of GBP 21.7 million and earn-out payments based on future performance.

- Consequently the acquired entities became step-down subsidiaries of Hinduja Tech Limited, India effective from November 30, 2022 on satisfactory completion of the closing conditions under the SPA and has been consolidated with effect from that date.

- The DSD group provides advanced engineering solutions to automotive, commercial vehicle, off-highway, defence and aviation industries and specialises in developing solutions for electrified propulsion systems.

- The fair value of the purchase consideration is ₹ 308.78 crores, which comprises of an upfront consideration of ₹ 218.44 crores, contingent consideration of ₹ 90.34 Crores subject to the satisfaction of certain conditions.

- The fair value of the contingent consideration, recognised on the acquisition date is determined by discounting the estimated amount payable to the previous owners on satisfaction of the conditions by applying the discounted cash flow approach. The key inputs used for the estimation of fair values are discount rate of 3.5% and probabilities of achievement of conditions (assumed to be 100%).

- As required by Ind-AS 103, Business Combinations, the Company has accounted for the assets and liabilities of the DSD Group at their respective fair values, including the intangibles and resultant goodwill arising from such acquisition.

- The acquisition is accounted for based on provisional amounts in accordance with paragraph 45 of Ind AS 103, pending final determination of the fair value.

3.18 ACCOUNTING FOR BUSINESS COMBINATION (Contd.)

The fair value of the identifiable assets and liabilities of the DSD Group as at the date of the acquisition were provisionally estimated as below:

Particulars	₹ Crores
Assets	
Property, plant and equipment	45.03
Intangible assets	89.45
Other assets (Net of liabilities)*	23.21
Total	157.69
Fair value of purchase consideration (including fair value of contingent consideration)	308.78
Provisional goodwill arising on acquisition	151.09

* Includes cash and cash equivalents acquired of ₹ 28.47 crores

(ii) Zebeyond Limited

On December 21, 2022, Drive System Design Ltd, UK (DSD) and Alvier Mechatronics AB (Alvier) formed a 50:50 joint venture, Zebeyond Ltd in the form of a Private Limited Company. The Joint venture Company was incorporated in England and Wales. DSD-UK contributed technology in the form of software, while Alvier contributed EUR 1 million for their respective stake in the joint venture. The scope of the Joint venture is the development and commercialization of the software by way of granting user licenses to customers and delivering special bespoke customer projects. This 50:50 Joint venture partnership ensures equal ownership and shared responsibilities between DSD and Alvier in driving the success of Zebeyond Ltd.

3.19 The group does not have any transactions with struck off companies under Companies Act, 2013 or Companies Act, 1956, during the year, as applicable except in case of a subsidiary which had transaction with three companies which was struck off before it was declared as struck off and there is no outstanding balance towards these parties.

3.20 The Group (except in case of a subsidiary) [where applicable] has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group (except in case of a subsidiary) [where applicable] 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.

Hinduja Tech Limited (HTL) [Intermediary 1], a subsidiary of the Parent Company, has raised ₹ 88.00 crores from Hinduja Automotive Limited (Holding Company) [Funding Party] by way of issue of equity share capital on November 22, 2022. This has been further invested in Hinduja Tech UK Limited (wholly owned subsidiary of HTL incorporated during the current financial year) [Intermediary 2] as equity share capital by subscribing to 10,000 shares and 1,08,00,000 shares of GBP 1 each on November 10, 2022 and March 06, 2023 at GBP 1.08 crores. The funding raised and the subsidiary incorporated is for the purpose of acquisition of Drive system Design Limited, UK (along with its wholly owned subsidiary Drive System Design SO, Czech) and Drive System Design Inc, USA, for which Hinduja Tech UK Limited has paid GBP 2.17 crores (as upfront consideration) to the erstwhile shareholders [ultimate benficiary] of Drive system Design Limited, UK and Drive System Design Inc, USA on November 28, 2022. The relevant provisions of the Foreign Exchange Management Act, 1999 and Companies Act, 2013 have been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002.

3.21 No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder, where applicable.

3.22 The Group has complied with the number of layers prescribed under the Companies Act, where applicable.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.23 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account, where applicable.

3.24 The Group has not traded or invested in crypto currency or virtual currency during the current or previous year, where applicable.

3.25 During the year ended March 31, 2023, the Group has recorded an reversal of impairment of ₹ 9.20 crores (March 31, 2022: impairment loss on Goodwill and net assets ₹ 236.91 crores) of net assets of its subsidiary viz Albonair GmbH (Cash Generating Unit (CGU)) based on future business plan, internal and external factors and the independent valuers report. The discounted cash flow method uses post tax discount rate ranging between 10.50% - 13.50% for current and previous years for the aforementioned entities. Both pre tax discount rate and post tax discount rate gives the same recoverable amount.

3.26 The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

3.27 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.

3.28 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

A.J. Shaikh
Partner
Membership Number : 203637

May 23, 2023
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN : 01746102

N. Ramanathan
Company Secretary

May 23, 2023
Chennai

Part "A": Subsidiaries

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

₹ Crores

S.no	Subsidiary	Acquired on	Country of incorporation	Reporting Currency	Share capital (including share application money pending allotment)	Other equity	Total liabilities	Total assets	Investments (except in case of investments in subsidiaries)	Turnover	Profit / (Loss) before taxation	Tax Expenses/ (Credit)	Profit / (Loss) after taxation	Other Comprehensive Income	Total Comprehensive Income	% of Shareholding
1	Hinduja Leyland Finance Limited and its subsidiaries	April 1, 2013	India	INR	535.02	5,061.60	26,820.89	32,417.51	1,817.83	3,501.55	656.52	162.91	493.61	93.11	586.72	60.42%
2	Global TVS Bus Body Builders Limited	December 10, 2013	India	INR	9.90	26.89	32.43	69.22	-	148.43	0.05	0.02	0.03	(0.09)	(0.06)	66.67%
3	Gulf Ashley Motors Limited	April 1, 2013	India	INR	29.70	(23.75)	55.37	61.32	0.02	231.73	(5.70)	(0.62)	(5.08)	(0.05)	(5.13)	93.15%
4	Optare PLC and its subsidiaries	April 1, 2013	UK	GBP	899.37	(1,504.73)	2,203.28	1,597.92	-	229.72	(602.74)	(19.95)	(582.79)	(27.13)	(609.92)	91.63%
5	Ashley Aviation Limited	January 1, 2019	India	INR	38.70	(32.40)	9.93	16.23	-	14.88	(4.70)	-	(4.70)	(0.07)	(4.77)	100.00%
6	Ashok Leyland (Nigeria) Limited	April 1, 2013	Nigeria	NGN	0.36	0.51	14.90	15.77	-	11.91	1.31	0.43	0.88	-	0.88	100.00%
7	Ashok Leyland (Chile) SA	April 1, 2013	Chile	CLP	3.76	(3.50)	0.01	0.27	-	-	(0.04)	-	(0.04)	-	(0.04)	100.00%
8	HLF Services Limited	April 1, 2013	India	INR	0.05	14.47	20.15	34.67	-	182.79	3.28	0.94	2.34	1.16	3.50	81.73%
9	Ashok Leyland (UAE) LLC and its subsidiaries	April 1, 2015	UAE	AED	96.52	(58.67)	483.25	521.10	-	1,468.12	31.54	0.53	31.01	2.39	33.40	100.00%
10	Albonair (India) Private Limited	April 1, 2013	India	INR	45.00	100.32	231.23	376.55	-	1,048.48	96.80	24.71	72.09	0.11	72.20	100.00%
11	Hinduja Tech Limited, its subsidiaries and joint venture	February 25, 2021	India	INR	208.52	(2.83)	388.93	594.62	8.39	401.34	28.52	8.01	20.51	3.49	24.00	73.83%
12	Albonair GmbH, Germany and its subsidiary	April 1, 2013	Germany	EUR	372.38	(353.61)	235.33	254.10	-	373.28	(8.14)	0.86	(9.00)	(0.20)	(9.20)	100.00%
13	Vishwa Bus and Coaches Limited	November 19, 2020	India	INR	36.40	(8.68)	46.00	73.72	-	99.99	(5.36)	(0.69)	(4.67)	(0.01)	(4.68)	100.00%
14	Gro Digital Platforms Limited	April 14, 2021	India	INR	20.00	(9.55)	35.70	46.15	-	17.50	(9.30)	0.08	(9.38)	(0.14)	(9.52)	80.21%

Notes:

1 Reporting period of all entities mentioned above is April to March
2 There is no dividend proposed by the above entities
3 Exchange rate used in case of foreign subsidiaries, associates and joint ventures are given below:

CURRENCY	EUR	GBP	CLP	USD	NGN	AED	LKR
Closing Rate	89.44	101.65	0.10	82.17	0.18	22.37	0.25
Average Rate	83.66	96.82	0.09	80.37	0.19	21.88	0.23

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 as at the year end			Significant influence	Reason for not consolidating	Networth	Total comprehensive income for the year	
			No.	Investment Held (₹ Crores)	Holding %				Considered in consolidation	Not considered in Consolidation
	(A) Associates									
1	Ashok Leyland Defence Systems Limited	31-Mar-23	50,27,567	5.03	48.49%	Voting Power	Not Applicable	30.73	1.52	1.62
2	Lanka Ashok Leyland PLC	31-Mar-23	10,08,332	0.57	27.85%	Voting Power	Not Applicable	96.73	0.17	0.42
3	Mangalam Retail Services Limited	31-Mar-23	37,470	0.04	37.48%	Voting Power	Not Applicable	0.09	##	##
	(B) Joint Ventures									
1	Ashley Alteams India Limited	31-Mar-23	7,59,47,500	75.94	50.00%	Voting Power	Not Applicable	25.29	8.74	8.70
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	12.12	-	0.57

The Company along with its subsidiary Gulf Ashley Motor Limited holds 50% interest.
amount is below rounding off norms adopted by the Group.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number : 304026E/E-300009

A.J. Shaikh
Partner
Membership Number : 203637

May 23, 2023
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Gopal Mahadevan
Whole-time Director and
Chief Financial Officer
DIN : 01746102

N. Ramanathan
Company Secretary

May 23, 2023
Chennai

NOTE

ASHOK LEYLAND

Koi Manzil Door Nahin

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CIN: L34101TN1948PLC000105

HINDUJA GROUP